

SafeNet, Inc.
AUDIT COMMITTEE CHARTER

ORGANIZATION

This charter governs the operations of the audit committee. The committee shall review and reassess the charter at least annually. The committee shall be appointed by the board of directors and shall comprise at least three directors. Each member of the audit committee must satisfy (1) the independence requirements under Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations of the Securities and Exchange Commission ("SEC") promulgated thereunder, and (2) the independence, experience and expertise requirements under Rules 4200 and 4350 promulgated by the National Association of Securities Dealers, Inc. and any other applicable laws and regulations relating to the audit committee membership of issuers listed on the Nasdaq National Market. Additionally, at least one member of the audit committee shall be an "audit committee financial expert," as such term is defined under the rules and regulations of the SEC.

STATEMENT OF POLICY

The audit committee shall provide assistance to the board of directors in fulfilling its oversight responsibility relating to the Company's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the annual independent audit of the Company's financial statements, and the legal compliance and ethics policies as established by management and the board. In so doing, it is the responsibility of the committee to maintain free and open communication among the committee, independent auditors and management of the Company. In discharging its oversight role, 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. The audit committee shall have the authority, to the extent it deems necessary or appropriate, to retain special legal, accounting, or other consultants to advise the committee. The Company shall provide funding, as determined by the audit committee, for payment of compensation to the independent auditors and to any advisors employed by the audit committee. The report of the audit committee required by the rules of the SEC shall be included in the Company's annual proxy statement.

RESPONSIBILITIES AND PROCESSES

The primary responsibility of the audit committee is to oversee the Company's financial reporting process on behalf of the board and report the results of its activities to the board. Management is responsible for preparing the Company's financial statements, and the independent auditors are responsible for auditing those financial statements. The committee in carrying out its responsibilities believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The committee should take the appropriate actions to set the overall corporate "tone" for

quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal recurring processes of the audit committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the committee may supplement them as appropriate.

The committee shall have a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the board and the audit committee, as representatives of the Company's shareholders.

The audit committee shall have the sole authority to:

- (1) evaluate, appoint, replace and oversee the Company's independent auditors; and
- (2) approve in advance all audit services, including audit engagement fees and terms, and all non-audit engagements with the independent auditors; subject to the de minimus exception for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act.

The audit committee shall consult with management, but shall not delegate these responsibilities.

The committee shall discuss with the auditors their independence from management and the Company, including the matters in the written disclosures required by the Independence Standards Board.

The committee shall be responsible for the retention of the independent auditors for any non-audit services in accordance with applicable laws and regulations, including without limitation the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated by the SEC thereunder, and determine procedures for the approval of audit and non-audit services in advance. In accordance with such procedures, the committee shall approve in advance any audit or non-audit services provided to the Company by the independent auditors, (subject to the de minimus exception for non-audit services contained in Section 10A(i)(1)(B) of the Exchange Act) all as required by applicable law or listing standards. Pre-approval authority for non-audit services may be delegated to one or more members of the committee.

Annually, the committee shall review and recommend to the board the selection of the Company's independent auditors, subject to shareholders' approval.

The committee shall discuss with the independent auditors the overall scope and plans for their audit including the adequacy of staffing and compensation. Also, the committee shall discuss with management and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's system to monitor and manage business risk, and legal and ethical compliance policies.

Further, the committee shall meet separately with the independent auditors, with and without management present, to discuss the results of their examinations.

The committee shall establish procedures for (1) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (2) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The committee shall review the interim financial statements with management and the independent auditors prior to the filing of the Company's Quarterly Report on Form 10-Q.

Also, the committee shall discuss the results of the quarterly review and any other matters required to be communicated to the committee by the independent auditors under generally accepted auditing standards. The chair of the committee may represent the entire committee for the purposes of this review.

The committee shall discuss generally with management the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. The committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.

The committee shall review any disclosure received from the Chief Executive Officer and Chief Financial Officer during their certification process for the 10-K and 10-Qs about (1) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, and (2) any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

The committee shall review with management and the independent auditors the financial statements to be included in the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of Form 10-K), including their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.

Also, the committee shall discuss the results of the annual audit and any other matters required to be communicated to the committee by the independent auditors under generally accepted auditing standards.