

Internet Security Systems, Inc.
Audit Committee Charter
(As amended March 17, 2003)

The audit committee of the board of directors of Internet Security Systems, Inc. shall consist of a minimum of three directors. Members of the committee shall be appointed by the board of directors and may be removed by the board of directors in its discretion. All members of the committee shall be independent directors under the standards of the United States Securities and Exchange Commission and Nasdaq, and shall also satisfy the independence requirement for members of an audit committee. All members shall have sufficient financial experience and ability to enable them to discharge their responsibilities and at least one member shall be a financial expert.

The purpose of the committee shall be to assist the board in its oversight of the integrity of the financial statements of the company, of the company's compliance with legal and regulatory requirements, of the independence and qualifications of the independent auditor, and of the performance of the company's internal audit function and independent auditors.

In furtherance of this purpose, the committee shall have the following authority and responsibilities:

1. To discuss with management and the independent auditor the annual audited financial statements and quarterly financial statements, including matters required to be reviewed under applicable legal, regulatory or Nasdaq requirements.
2. To discuss with management and the independent auditor, as appropriate, earnings press releases and financial information and earnings guidance provided to analysts.
3. To recommend, for board approval, the independent auditor to examine the company's accounts, controls and financial statements. The committee shall have the sole authority and responsibility to select, evaluate and if necessary replace the independent auditor. The committee shall have the sole authority to approve all audit engagement fees and terms and the committee, or a member of the committee, must pre-approve any non-audit service provided to the company by the company's independent auditor.
4. To discuss with management and the independent auditor, as appropriate, any audit problems or difficulties and management's response, and the company's risk assessment and risk management policies, including the company's major financial risk exposure and steps taken by management to monitor and mitigate such exposure.
5. To review the company's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application and the key accounting decisions affecting the company's financial statements, including alternatives to, and the rationale for, the decisions made.
6. To review and approve the manner of fulfilling internal audit functions.

7. To review, with such officers and staff as it deems appropriate, the company's internal system of audit and financial controls and results.
8. To obtain and review at least annually a report from the independent auditor delineating: the auditing firm's internal quality-control procedures; any material issues raised within the preceding five years by the auditing firm's internal quality-control reviews, by peer reviews of the firm, or by any governmental or other inquiry or investigation relating to any audit conducted by the firm. The committee will also review steps taken by the auditing firm to address any findings in any of the foregoing reviews. Also, in order to assess auditor independence, the committee will review at least annually all relationships between the independent auditor and the company.
9. To prepare and publish an annual committee report in the company's proxy statement.
10. To set policies for the hiring of employees or former employees of the company's independent auditor.
11. To review and investigate any matters pertaining to the integrity of management, including conflicts of interest, or adherence to standards of business conduct as required in the policies of the company. This should include regular reviews of the compliance processes. In connection with these reviews, the committee will meet, as deemed appropriate, with the general counsel and other company officers or employees.
12. The committee shall meet separately at least quarterly with management, with the corporate finance staff and also with the company's independent auditors.
13. The committee shall have authority to retain such outside counsel, experts and other advisors as the committee may deem appropriate in its sole discretion. The committee shall have sole authority to approve related fees and retention terms.
14. The committee shall report any recommendations to the board after each committee meeting. The committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the board for approval.