

**INTERNATIONAL RECTIFIER CORPORATION
AUDIT COMMITTEE CHARTER**

1. **FORMATION.** The Board of Directors ("Board") of International Rectifier Corporation, a Delaware corporation ("Company") has established the Audit Committee ("Committee") pursuant to Section 141(c)(2) of the Delaware General Corporation Law and Article III, Section 15 of the Company's Bylaws.

2. **STATEMENT OF PURPOSE.** The Committee will assist the Board in fulfilling the Board's oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the external auditors' qualifications and independence, and (4) the performance of the Company's internal audit function and external auditors. The Committee will prepare the annual report included in the Company's proxy statement as required by the SEC. To effectively perform his or her role, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Company's business, operations, and risks.

The Committee is not responsible for planning or conducting audits or determining that the Company's financial statements are accurate and are in accordance with generally accepted accounting principles ("GAAP"). This duty is the responsibility of management and the external auditors, who are ultimately accountable to the Committee. Likewise, it is not the duty of the Committee independently to verify information presented to it, unless special circumstances require independent verification. The statement of responsibilities below is in all respects qualified by this limitation.

3. **COMPOSITION AND QUALIFICATIONS.** The Committee shall be comprised of not fewer than three members of the Company's Board. Subject to the foregoing, the exact number of members of the Committee shall be fixed and may be changed from time to time by resolution duly adopted by the Board. One of the members of the Committee shall be designated by the Board as the chairperson ("Chairperson") of the Committee. The Board shall appoint the members of the Committee to serve until their successors have been duly designated. Members of the Committee may be removed by the Board for any reason and at any time. Vacancies on the Committee shall be filled by the Board. The members of the Committee shall meet the standards of independence and other qualifications set forth on **Exhibit A**. The Company must disclose in the periodic reports required by section 13(a) of the Securities Exchange Act of 1934 (the "Act") whether or not it has at least one member who is a financial expert as described in **Exhibit A**.

4. **RESPONSIBILITIES.** The Committee shall have responsibilities in the following areas:

(a) **INTERNAL CONTROLS**

Review with management, external auditors and internal auditors the adequacy of the Company's internal accounting controls and procedures.

Inquire about internal control recommendations made by internal and external auditors and whether they have been implemented by management.

(b) **FINANCIAL REPORTING**

Review reports prepared by management and by the external auditors of significant accounting and financial reporting issues and judgments and their impact on the financial statements.

Review periodically with the internal and external auditors significant risks and exposures and the plans to monitor, control and minimize such risks and exposures.

Review significant changes to the Company's auditing and accounting practices as suggested by the internal and external auditors or management and discuss them on a timely basis.

Meet with management and the external auditors to review and discuss the annual audited financial statements, the results of the audit and the interim financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and obtain from the external auditors assurance that the audit was conducted in a manner consistent with Section 10A of the Act, as amended.

Require the external auditors to review the financial information included in the Company's interim financial statements prior to filing its Form 10-Q Reports.

Review with management and the external auditors earnings press releases and financial information and earnings guidance provided to analysts and rating agencies.

(c) **COMPLIANCE**

Periodically obtain reports from management, auditors, general counsel, tax advisors or any regulatory agency regarding regulatory compliance, transactions with affiliates, and other legal matters that may have a material impact on financial statements and the consideration of those matters in preparing the financial statements.

Review the effectiveness of the policies and procedures for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) on any reporting deficiencies, fraudulent acts or accounting irregularities.

(d) **INTERNAL AUDIT**

Review the activities, structure resources, qualifications and effectiveness of the internal audit function, and the performance of the director of internal audit.

(e) **RETENTION OF EXTERNAL AUDITORS**

Exercise the sole authority and responsibility to select, evaluate and replace the external auditor (or to nominate the external auditors to be proposed for shareholder approval in any proxy statement).

Review, evaluate and approve the annual engagement proposal of the external auditors, including the proposed audit scope and approach, and level of fees to be paid to the external auditors.

Pre-approve all auditing services and all non-auditing services to be performed by the external auditor, provided that the external auditor shall not be retained to perform those prohibited non-audit functions listed on **Exhibit B**. The approved non-auditing services must be disclosed in the Company's periodic public reports required by section 13(a) of the Act. The approval of non-auditing services can be delegated to one or more members of the Committee, but the decision must be presented to the full Committee at the next scheduled meeting.

Obtain and review reports from the external auditor, at least annually, regarding:

(1) the external auditors' internal quality-control procedures;

(2) any material issues raised by the most recent internal quality-control review, or peer review, of the external 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 external auditor, and any steps taken to deal with any such issues; and

(3) all relationships between the external auditor and the Company. in accordance with Independence Standards Board No. 1.

Actively engage in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditors and recommend that the Board take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence.

(f) **EXTERNAL AUDIT**

Obtain and review timely reports from the external auditor regarding:

- (1) all critical accounting policies and practices to be used by the Company;
- (2) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; and
- (3) all other material written communications between the external auditor and management, including any management letter or schedule of unadjusted differences.

Review with the external auditor any problems or difficulties the external auditor may have encountered, including: (1) any restrictions on the scope of activities or access to required information; (2) any changes required in the planned scope of the internal audit; and (3) any recommendations made by the external auditors as a result of the audit.

Discuss the matters required to be discussed by Statement of Auditing Standards No. 61 as it may be modified or supplemented from time to time ("SAS 61").

(g) **OTHER RESPONSIBILITIES**

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.

Set clear hiring policies for employees or former employees of the external auditor.

Regularly report to the Board on the Committee's activities and make appropriate recommendations.

Discuss Company policies with respect to risk assessment and risk management.

Annually evaluate the effectiveness of the Company's finance department.

Annually evaluate the performance of the Committee.

Review any special executive compensation or benefit arrangements.

Annually review and (if appropriate) update this charter, subject to Board approval of changes.

5. MEETINGS

(a) FREQUENCY

The Committee shall hold regular meetings on such days as it shall determine at least four times per year. Special meetings of the Committee will be held at the request of the Chairperson of the Committee or any two other Committee members. Minutes shall be regularly kept of Committee proceedings.

(b) AGENDA

Prior to each regularly scheduled meeting, the Committee members will receive notice of and an agenda for the meeting. Other topics for discussion may be introduced at the meeting or by notice to the Chairperson at the request of any Committee member.

(c) ATTENDANCE

The Committee may regularly or from time-to-time ask corporate officers and other employees of the Company to attend the meetings.

(d) PROCEDURES

The Committee may adopt rules for its meetings and activities. In the absence of any such rules, the Committee actions shall be governed by the Company's Bylaws and applicable law, as applicable to Board meetings and activities. In all cases, a quorum of the Committee shall be a majority of the persons then serving as members of the Committee.

(e) EXECUTIVE SESSIONS

Meet with the external auditors, internal auditors and management in separate executive sessions at least quarterly to discuss any matters that the Committee or these groups believe should be discussed privately.

6. OUTSIDE ASSISTANCE. The Committee shall have the authority to request and receive access to any internal or external information it requires to fulfill its duties and responsibilities. The Committee is authorized to engage such outside professional or other services as in its discretion it deems necessary to fulfill its responsibilities, whose compensation shall be funded by the Company.

EXHIBIT A

New York Stock Exchange requirements:

Independence requirements -

- The Board must affirmatively determine that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Company must disclose this determination.

- A director who is a former employee of the Company cannot be on the Committee until five years after the employment has ended.

- A director who is, or in the past five years has been, affiliated with or employed by a (present or former) auditor of the Company (or of an affiliate) cannot be on the Committee until five years after the end of either the affiliate or the auditing relationship.

- A director cannot be on the Committee if he or she is, or in the past five years has been, part of an interlocking directorate in which an executive officer of the Company serves on the compensation committee of another company that employs the director.

- A director with immediate family members in the foregoing categories cannot be on the Committee until five years after the end of such relationship.

- Director and committee fees are the only compensation a Committee member may receive from the Company for serving on the Committee.

- If a Committee member simultaneously serves on the audit committee of more than three public companies and the Company does not limit the number of audit committees on which he or she can serve, then the Board must determine that such service would not impair the ability of such member to effectively serve on the Company's Committee and disclose such determination in the annual proxy statement.

Knowledge requirements -

- All Committee members must be financially literate as such qualification is interpreted by the Board in its business judgment, or become financially literate within a reasonable period of time after his or her appointment to the Committee.

- At least one member must have accounting or related financial management expertise, as such qualification is interpreted by the Board in its business judgment.

Sarbanes-Oxley requirements:

Independence requirements -

- A Committee member may not, other than in his or her capacity as a member of the Committee, the board of directors, or any other board committee: (1) accept any consulting, advisory, or other compensatory fee from the Company; or (2) be an affiliated person of the Company or any of its subsidiaries. The SEC may exempt a particular relationship that the SEC determines appropriate in light of the circumstances.

Knowledge requirement -

- There must be at least one “financial expert” on the Committee who has, through education and experience as a public accountant or auditor or a principal financial officer, comptroller or principal accounting officer of a company, or from a position involving the performance of similar functions: (1) an understanding of GAAP and financial statements; (2) experience in the preparation of financial statements of general comparable companies and the application of such principles in connection with the accounting for estimates, accruals, and reserves; (3) experience with internal accounting controls; and (4) an understanding of audit committee functions.

EXHIBIT B

Prohibited Non-Audit Services:

1. Bookkeeping or other services related to the accounting records or financial statements of the Company;
2. Financial information systems design and implementation;
3. Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
4. Actuarial services;
5. Internal audit outsourcing services;
6. Management functions or human resources;
7. Broker or dealer, investment advisor, or investment banking services;
8. Legal services and expert services unrelated to the audit; and
9. Any other services that the Public Company Accounting Oversight Board determines, by regulation, is impermissible.