
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **June 27, 2013**

INTERNATIONAL RECTIFIER CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-7935

(Commission File Number)

95-1528961

(IRS Employer Identification No.)

101 N. Sepulveda Blvd., El Segundo, California 90245

(Address of Principal Executive Offices) (Zip Code)

(310) 726-8000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Compensatory Arrangements with Certain Officers.

A. On June 27, 2013, the Compensation Committee (“Compensation Committee”) of the Board of Directors of International Rectifier Corporation (the “Company”) made restricted stock unit (“RSU”) awards to certain key employees, including the following named executive officers of the Company (“Named Officers”): President and Chief Executive Officer, Oleg Khaykin; Executive Vice President and Chief Financial Officer, Ilan Daskal; Executive Vice President, GaN Technologies, Michael Barrow; Senior Vice President, Global Sales, Adam White, and Vice President, General Counsel and Secretary, Timothy E. Bixler. The Compensation Committee also made awards to Gary Tanner, who became Executive Vice President and Chief Operations Officer for the Company effective January 2, 2013.

The Named Officers and Mr. Tanner were granted three types of RSU awards: (i) RSU awards that vest over the employee’s service with the Company (“Retention RSUs”), (ii) RSU awards that vest on the satisfaction of a specified performance condition (“Performance RSUs”), and (iii) RSU awards that vest on the satisfaction of a higher specified performance standard than that of the Performance RSUs (“Supplemental RSUs”), as follows:

Named Officer	Retention RSUs	Performance RSUs	Supplemental Performance RSUs	Total RSUs
Oleg Khaykin	84,000	101,920	136,500	322,420
Ilan Daskal	21,000	25,480	29,250	75,730
Gary Tanner	21,000	25,480	29,250	75,730
Michael Barrow	21,000	25,480	29,250	75,730
Adam White	21,000	25,480	29,250	75,730
Timothy E. Bixler	13,500	16,380	14,625	44,505

All RSU awards were made under the Company’s 2011 Performance Incentive Plan (the “Plan”).

Retention RSUs. For the Retention RSUs, one third of the RSU award vests on each of the first three anniversaries of the grant date, subject to continued service with the Company and the other terms and conditions of the Plan and applicable award agreement. The RSU award agreement (“Retention RSU Agreement”) under which the Retention RSUs were granted was substantially in the form set forth in Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on February 3, 2012 for the Company’s fiscal quarter ended December 25, 2011 (the “RSU Form Agreement”).

The Retention RSU Agreement contains provisions for the forfeiture of unvested portions of the award under certain events, including termination of employment, and certain rights for the proration of vesting in the event of death or permanent disability. Additionally, the Retention RSU Agreement provides for acceleration of vesting in the event of a Change in Control (as defined in the Retention RSU Agreement) combined with a termination of employment or resignation for Good Reason (as each of “Change in Control” and “Good Reason” are defined in the Retention RSU Agreement), all on certain terms and conditions as set forth in the Retention RSU Agreement. The description of the terms and conditions of the Retention RSU Agreement herein is qualified in its entirety by reference to the actual form of Retention RSU Agreement which is incorporated herein by this reference to the RSU Form Agreement.

Performance RSUs. For the Performance RSUs, each RSU award is scheduled to vest or terminate, in whole or in part, as the case may be, depending on the extent to which the Company’s Final Average Share Price (as defined below) exceeds the Fair Market Value (as determined under the Plan) of a share of Company common stock on the grant date of the award (the “Base Price”).

If the Final Average Share Price is equal to or greater than one hundred and thirty percent (130%) of the Base Price, one hundred percent (100%) of the total number of units subject to the award shall vest as of the end of the Company’s 2016 fiscal year (the “Vesting Date”). If the Final Average Share Price is less than one hundred and thirty percent (130%) of the Base Price, the total number of units subject to the award (if any) that vest as of the Vesting Date will be reduced (but not below zero) proportionately by three and thirty-three hundredths percent (3.33%) for each percentage point (including fractional percentages) by which the percentage appreciation of the Final Average Share Price over the Base Price is less than thirty percent (30%). Any fractional unit that results from such reduction will be rounded down to the next whole unit.

For the purposes of the award, “Final Average Share Price” means the unweighted average of the daily closing prices of the Company’s shares of common stock on the New York Stock Exchange (“NYSE Closing Prices”) for all trading days in the Company’s fourth quarter of its fiscal year ending in June 2016; provided, however, that in determining the Final Average Share Price, the Compensation Committee shall add back any ordinary or extraordinary cash dividends paid by the Company on the common stock since the award grant date.

The determination of whether, and to the extent, the vesting condition has been achieved shall be made by the Compensation Committee. Any Performance RSUs that do not vest as of the Vesting Date shall terminate.

In connection with making the awards of Performance RSUs, the Compensation Committee adopted a form of Performance RSU award agreement ("Performance RSU Agreement"), substantially in the form set forth in Exhibit 10.1 filed herewith.

The Performance RSUs are subject to continued service with the Company and the other terms and conditions of the Plan and Performance RSU Agreement. The Performance RSU Agreement contains provisions for the forfeiture of the award under certain events, including termination of employment, and certain rights for the proration of vesting in the event of death or permanent disability. Additionally, the Performance RSU Agreement provides for acceleration of the Vesting Date and determination of whether the performance condition has been met in the event of a Change in Control (as defined in the Performance RSU Agreement), on certain terms and conditions as set forth in the Performance RSU Agreement. The description of the terms and conditions of the Performance RSU Agreement herein is qualified in its entirety by reference to the actual form of Performance RSU Agreement which is substantially in the form attached hereto as Exhibit 10.1 and incorporated herein by this reference.

Supplemental Performance RSUs. For the Supplemental Performance RSUs, each RSU award is scheduled to vest or terminate, in whole or in part, as the case may be, depending on the extent to which the Company's Average Share Price (as defined below) exceeds the Base Price.

Forty percent (40%) of the total number of units subject to the RSU award are eligible to become vested on the one year anniversary of the first occurrence of the Company's Average Share Price being equal to or greater than 140% of the Base Price. Sixty percent (60%) of the total number of units subject to the RSU award are eligible to become vested on the one year anniversary of the first occurrence of the Company's Average Share Price being equal to or greater than 150% of the Base Price.

For purposes of the Award, "Average Share Price" means the unweighted average of the NYSE Closing Prices of the Company's common stock for all trading days within any period of one hundred twenty-five (125) consecutive calendar days that occurs during the period beginning with July 1, 2013 and ending on the last day of the Company's fiscal year ending in June 2016; provided, however, that in determining the Average Share Price, the Compensation Committee shall add back any ordinary or extraordinary cash dividends paid by the Company since the award grant date.

The determination of whether, and to the extent, any performance condition has been achieved shall be made by the Compensation Committee. Any stock units in respect of which the performance condition has not been satisfied as of the end of the Company's 2016 fiscal year shall terminate.

In connection with making the awards of Supplemental Performance RSUs, the Compensation Committee adopted a form of Supplemental Performance RSU award agreement ("Supplemental Performance RSU Agreement"), substantially in the form set forth in Exhibit 10.2 filed herewith.

The Supplemental Performance RSUs are subject to continued service with the Company and the other terms and conditions of the Plan and Supplemental Performance RSU Agreement. The Supplemental Performance RSU Agreement contains provisions for the forfeiture of the award under certain events, including termination of employment, and certain rights for the proration of vesting in the event of death or permanent disability. Additionally, the Supplemental Performance RSU Agreement provides for measuring whether the performance conditions have been met in connection with a Change in Control, and for the possible acceleration of the award in the event of a Change in Control combined with a termination of employment or resignation for Good Reason (as each of "Change in Control" and "Good Reason" are defined in the Supplemental Performance RSU Agreement) or termination of the award as part of the Change in Control, in each case on certain terms and conditions as set forth in the Supplemental Performance RSU Agreement. The description of the terms and conditions of the Supplemental Performance RSU Agreement herein is qualified in its entirety by reference to the actual form of Supplemental Performance RSU Agreement which is substantially in the form attached hereto as Exhibit 10.2 and incorporated herein by this reference.

B. On June 27, 2013, the Compensation Committee established a short-term cash incentive bonus program for the Company's 2014 fiscal year ("Program Period") in which the executive officers of the Company, including the Named Officers and Mr. Tanner, are eligible to participate.

Under the cash incentive bonus program, each participant is eligible to receive a cash bonus for the Program Period, expressed as a target bonus percentage of the participant's annualized base salary, and determined through the achievement during the Program Period of a combination of performance goals established for the participant.

The Program Period is divided into two measurement periods (each, a “Measurement Period”), comprised of the first two fiscal quarters of the Program Period (“First Half Period”) and the last two fiscal quarters of the Program Period (“Second Half Period”). On June 27, 2013, the Compensation Committee established the performance goals attributed to each participant’s eligible bonus opportunity for the First Half Period. For all Named Officers and Mr. Tanner, the Compensation Committee established a mix of corporate goals based upon (i) the Company’s level of achievement of certain revenue and gross margin targets, and (ii) expense levels or functional achievements based on the participant’s functions and areas of responsibility, in each case excluding extraordinary and one-time items. The goals were allocated as follows:

Named Officer	Portion of Bonus Opportunity by Type of Goal			Functional Goals
	Company Revenue	Company Gross Margin	Functional Expense Levels	
Oleg Khaykin	40%	40%	20%	N/A
Ilan Daskal	40%	40%	20%	N/A
Gary Tanner	40%	40%	N/A	20%
Michael Barrow	20%	20%	N/A	60%
Adam White	50%	30%	20%	N/A
Timothy E. Bixler	40%	40%	20%	N/A

The Compensation Committee intends to establish goals for the Second Half Period near the beginning of the Second Half Period. Each goal requires a threshold level of performance in order for a bonus to be awarded, with functional cost control and other functional goals requiring that a threshold level of Company revenue and/or gross margin be achieved. In no event will any bonus under the program exceed 200% of the participant’s applicable target bonus. Set forth below for each Named Officer and Mr. Tanner is a summary of: (i) the target bonus percentage (which remained unchanged from the prior fiscal year) and (ii) the portion of such percentage for which the officer is eligible based on the threshold, target and maximum corporate performance levels established by the Compensation Committee:

Named Officer	Target Bonus Percentage	Portion of Target Bonus Percentage Applicable at Performance Level		
		Threshold	Target	Maximum
Oleg Khaykin	100%	40%	100%	200%
Ilan Daskal	70%	40%	100%	200%
Gary Tanner	70%	40%	100%	200%
Michael Barrow	70%	40%	100%	200%
Adam White	70%	40%	100%	200%
Timothy E. Bixler	60%	40%	100%	200%

The Compensation Committee will determine whether and the extent to which bonuses are payable pursuant to the cash incentive bonus program. The actual bonus payout is subject to the Compensation Committee’s overall subjective review of each officer’s performance against any performance goals established for such officer, with the Compensation Committee having the right to adjust the amount of bonus payable based on its assessment of performance.

C. On June 27, 2013, in connection with its review of compensation matters for the Company’s fiscal year 2014, the Compensation Committee left unchanged the annual base salaries for each of the Named Officers and Mr. Tanner, with the exception of that for Mr. Daskal, whose annual base salary was increased from \$350,000 to \$368,000 for the fiscal year.

Item 9.01. Financial Statement and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Performance Stock Unit Award Agreement for Fiscal Year 2013
10.2	Form of Supplemental Performance Stock Unit Award Agreement for Fiscal Year 2013

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 28, 2013

INTERNATIONAL RECTIFIER CORPORATION

By: /s/ Lawrence A. Michlovich
Name: Lawrence A. Michlovich
Title: Vice President, Assistant General Counsel & Assistant Secretary

EXHIBIT INDEX

Exhibit Number	Description
10.1	Form of Performance Stock Unit Award Agreement for Fiscal Year 2013
10.2	Form of Supplemental Performance Stock Unit Award Agreement for Fiscal Year 2013

Form of Fiscal Year 2013 Performance Stock Unit Award Agreement

INTERNATIONAL RECTIFIER CORPORATION
2011 PERFORMANCE INCENTIVE PLAN
PERFORMANCE STOCK UNIT AWARD AGREEMENT

Participant Name:

Number of Stock Units: (1)

Vesting Schedule: See vesting provisions set forth in Exhibit A attached hereto(1)

Award Date: *June 27, 2013*

(1) All share and unit numbers are subject to adjustment under the terms of the Plan. The Stock Units are subject to acceleration and termination prior to vesting as provided herein.

THIS AGREEMENT is among **INTERNATIONAL RECTIFIER CORPORATION**, a Delaware corporation (the "Corporation"), and the employee named above (the "Participant"), an employee of the Corporation or one of its Subsidiaries, and is delivered under the International Rectifier Corporation 2011 Performance Incentive Plan (the "Plan").

W I T N E S S E T H

WHEREAS, the Compensation and Stock Option Committee of the Board has approved, and the Corporation has granted, effective as of the Award Date, to the Participant a restricted stock unit award under the Plan (the "Stock Unit Award" or "Award"), upon the terms and conditions set forth herein and in the Plan.

NOW THEREFORE, in consideration of services rendered by the Participant and the mutual promises made herein and the mutual benefits to be derived therefrom, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan. For purposes of this Agreement, a "Stock Unit" means a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of Common Stock of the Corporation.

2. Grant. Subject to the terms of this Agreement and the Plan, the Corporation grants to the Participant a Stock Unit Award with respect to an aggregate number of Stock Units set forth above. The Corporation acknowledges that the consideration for the shares payable with respect to the Stock Units on the terms set forth in this Agreement shall be the services rendered to the Corporation and its Subsidiaries by the Participant prior to the applicable vesting date, the fair value of which is not less than the par value per share of the Corporation's Common Stock.

3. **Vesting.** The Stock Units subject to the Award shall become vested as set forth in Exhibit A attached hereto and incorporated herein by reference, subject to earlier termination or acceleration and subject to adjustment as provided herein.

4. **Continuance of Employment Required.** Except as otherwise provided herein, the vesting schedule applicable to the Stock Units requires continued service through the "Vesting Date" set forth in Exhibit A attached hereto as a condition to the vesting of the award and the rights and benefits under this Agreement. Service for only a portion of the vesting period, even if a substantial portion, will not (except as otherwise expressly provided in Section 8) entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service.

5. **Limitations on Rights Associated with Units.** The Participant shall have no rights as a stockholder of the Corporation, no dividend rights and no voting rights with respect to the Stock Units or any shares of Common Stock issuable in respect of such Stock Units, until shares of Common Stock are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate evidencing the shares.

6. **Restrictions on Transfer.** Prior to the time the Stock Units are vested and paid, neither the Stock Units comprising the Award nor any other rights of the Participant under this Agreement or the Plan may be transferred, except as expressly provided in Section 5.7 of the Plan. No specific exception to the general transfer prohibitions set forth in Section 5.7 of the Plan has been authorized by the Administrator.

7. **Timing and Manner of Payment with Respect to Stock Units.** Stock Units subject to this Agreement will be paid in an equivalent number of shares of Common Stock promptly after (and in all events within two and one-half months after) the vesting of such Stock Units in accordance with the terms hereof, subject to adjustment as contemplated by Section 9. The Participant or other person entitled under the Plan to receive the shares shall deliver to the Corporation any representations or other documents or assurances required pursuant to Section 8.1 of the Plan.

8. **Effect of Termination of Employment or Change in Control.**

(a) **Termination after Certain Events.** In the event the Participant ceases to be employed by the Corporation or one of its Subsidiaries prior to the Vesting Date, the Participant's Stock Units shall be extinguished to the extent such Stock Units have not become vested prior to such termination of employment, and regardless of the reason for such termination of employment, whether with or without cause, voluntarily or involuntarily; provided, however, that if the Participant incurs a permanent and total disability resulting in the Participant's termination of employment or if the Participant dies while employed by the Corporation or a Subsidiary prior to the Vesting Date, then the Stock Units subject to the Award shall remain outstanding and shall be eligible to become vested on a prorated basis such that the number of such Stock Units that shall become vested as of the Vesting Date shall equal (i) the number of such Stock Units that would have vested as of the Vesting Date as set forth in Exhibit A attached hereto (or, if applicable, in connection with a Change in Control as provided in Section 8(c)) had the Participant's employment continued through such Vesting Date, multiplied by (ii) a fraction, the numerator of which shall be the number of days during the period commencing on the Award Date and ending on the Vesting Date (the "Performance Period") that the Participant was employed by the Corporation or one of its Subsidiaries, and the denominator of which shall be the number of days in the Performance Period.

(b) **Termination of Stock Units.** If any Stock Units are extinguished hereunder, such unvested, extinguished Stock Units, without payment of any consideration by the Corporation or any Subsidiary, shall automatically terminate and be cancelled without any other action by the Participant, or the Participant's beneficiary, as the case may be.

(c) **Possible Acceleration Upon Change in Control.** Notwithstanding anything contained in Section 7.2 of the Plan to the contrary, in connection with a Change in Control (as defined below) the effective date of such Change in Control shall be considered the "Vesting Date" for purposes of determining whether any portion of the then outstanding and unvested Stock Units subject to the Award will become vested pursuant to the vesting schedule and terms set forth in Exhibit A attached hereto. In such event, the Participant shall, if the Participant is employed by the Corporation or one of its Subsidiaries immediately prior to the Change in Control, be entitled upon (or, as may be necessary to give effect to the acceleration, immediately prior to) the Change in Control to vesting of the number of Stock Units subject to the Award equal to the number of Stock Units that would have vested in accordance with the terms hereof using the performance metrics set forth in Exhibit A attached hereto and assuming that the price paid per share of Common Stock pursuant to the terms of the Change in Control (or, if there is no such price, the fair market value of a share of Common Stock (as determined under Section 5.6 of the Plan) on the date of the Change in Control) is equal to the "Final Average Share Price" (as defined in Exhibit A attached hereto) for purposes of the vesting schedule and terms set forth in Exhibit A attached hereto and any remaining unvested portion of the Award shall terminate as of the Change in Control. For purposes of this Agreement, "Change in Control" has the meaning assigned to such term in the Plan; provided, however, that for purposes of this Agreement, the percentages in paragraph (a) and in clause (2) of paragraph (c) of such definition shall be fifty percent (50%) instead of thirty percent (30%).

9. **Adjustments in Case of Changes in Common Stock.** Upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 7.1 of the Plan (including, without limitation, an extraordinary cash dividend on such stock), the Administrator shall make adjustments in accordance with such section in the number of Stock Units then outstanding and the number and kind of securities that may be issued in respect of the Award.

10. **Tax Withholding.** Subject to Section 8.1 of the Plan, upon any distribution of shares of Common Stock in respect of the Stock Units, the Corporation shall automatically reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then fair market value (with the "fair market value" of such shares determined in accordance with the applicable provisions of the Plan), to satisfy any withholding obligations of the Corporation or its Subsidiaries with respect to such distribution of shares at the minimum applicable withholding rates. In the event that the Corporation cannot legally satisfy such withholding obligations by such reduction of shares, or in the event of a cash payment or any other withholding event in respect of the Stock Units, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

11. **Notices.** Any notice to be given under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal office located at 101 North Sepulveda Boulevard, El Segundo, California 90245, to the attention of the Assistant Secretary and to the Participant at the address given beneath the Participant's signature hereto, or at such other address as either party may hereafter designate in writing to the other.

12. **Plan and Program.** The Award and all rights of the Participant with respect thereto are subject to, and the Participant agrees to be bound by, all of the terms and conditions of the provisions of the Plan, incorporated herein by reference, to the extent such provisions are applicable to awards granted to employees. The Participant acknowledges receipt of a copy of the Plan, which is made a part hereof by this reference, and agrees to be bound by the terms thereof. Unless otherwise expressly provided in other Sections of this Agreement, provisions of the Plan that confer discretionary authority on the Administrator do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Administrator so conferred by appropriate action of the Administrator under the Plan after the date hereof. Notwithstanding the foregoing, this document does not supersede any rights the Participant may have to accelerated vesting under the terms of any written severance agreement entered into between Participant and the Corporation or one of its Subsidiaries prior to the date hereof.

13. **No Service Commitment by Corporation.** Nothing contained in this Agreement or the Plan constitutes an employment commitment by the Corporation or any of its Subsidiaries, affects the Participant's status as an employee at-will who is subject to termination without cause, confers upon the Participant any right to remain employed by the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation.

14. **Entire Agreement.** This Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Corporation. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

15. **Limitation on Participant's Rights.** Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Corporation as to amounts payable and shall not be construed as creating a trust. The Plan, in and of itself, has no assets. The Participant shall have only the rights of a general unsecured creditor of the Corporation (or applicable Subsidiary) with respect to amounts credited and benefits payable, if any, with respect to the Stock Units, and rights no greater than the right to receive the Common Stock (subject to adjustments) as a general unsecured creditor with respect to Stock Units, as and when payable hereunder.

16. **Section Headings.** The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

17. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflict of law principles thereunder.

18. **Construction.** It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent.

19. **Clawback Policy.** The Stock Units are subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Stock Units or any shares of Common Stock or other cash or property received with respect to the Stock Units (including any value received from a disposition of the shares acquired upon payment of the Stock Units).

20. **Suspension of Form S-8.** If upon the Vesting Date, the registration statement on Form S-8 (as may have been amended or superseded from time to time) filed by the Corporation with the Securities and Exchange Commission with respect to the Plan has been suspended or is no longer effective, and the Administrator or its designee reasonably anticipates that the issuance of Common Stock in respect of any of the Stock Units on the Vesting Date would violate applicable federal securities laws, then vesting shall not occur (and the Vesting Date shall be delayed) until the Administrator or its designee reasonably anticipates that making such payment will not cause such a violation.

21. **Electronic Signature or Acknowledgement.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. The provision of photographic or facsimile copies, or electronic signature, confirmation or acknowledgement of or by a party, shall constitute an effective original signature of a party for all purposes under this Agreement, and may be used with the same effect as manually signed originals of this Agreement for any purpose.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. By the Participant's execution of this Agreement, the Participant agrees to the terms and conditions hereof and of the Plan.

**INTERNATIONAL RECTIFIER
CORPORATION**, a Delaware corporation

PARTICIPANT

By: _____

Signature by Electronic Acceptance or Confirmation
Signature

Print Name:

Address

Its:

City, State, Zip Code

EXHIBIT A

PERFORMANCE GOAL - VESTING

Subject to the terms of the Plan and this Agreement, up to one hundred percent (100%) of the total number of Stock Units subject to the Award are eligible to become vested on the last day of the Corporation's fiscal year that ends in June 2016 (the "Vesting Date") based on the extent to which the Corporation's "Final Average Share Price" (as defined below) exceeds the fair market value (as determined under Section 5.6 of the Plan) of a share of Common Stock on the Award Date (the "Base Price").

If the Final Average Share Price is equal to or greater than one hundred and thirty percent (130%) of the Base Price, one hundred percent (100%) of the total number of Stock Units subject to the Award shall vest on the Vesting Date. If the Final Average Share Price is less than one hundred and thirty percent (130%) of the Base Price, the total number of Stock Units subject to the Award (if any) that vest on the Vesting Date will be reduced (but not below zero) proportionately by three and thirty three hundredths percent (3.33%) for each percentage point (including fractional percentages) by which the percentage appreciation of the Final Average Share Price over the Base Price is less than thirty percent (30%). Any fractional Stock Unit that results from such a reduction will be rounded down to the next whole Stock Unit. In no event shall any Stock Units vest unless the Final Average Share Price exceeds the Base Price.

For example: If the Final Average Share Price is 127.5% of the Base Price, eighty-three and thirty-five hundredths percent (83.35%) of the total number of Stock Units subject to the Award shall vest on the Vesting Date, rounded down to the nearest whole stock unit.

For purposes of this Agreement, "Final Average Share Price" means the unweighted average of the daily closing prices of the Common Stock on the New York Stock Exchange for all trading days in the Corporation's fourth quarter of fiscal year ending in June 2016; provided, however, that in determining the Final Average Share Price, the Administrator shall add back any ordinary or extraordinary cash dividends (without interest) paid by the Corporation on the Common Stock since the Award Date.

Whether and the extent to which the performance goal described above has been achieved will be determined by the Administrator (or, to the extent consistent with Section 162(m) of the Code, its delegate) within 60 days after the Vesting Date, and no vesting shall be deemed to have occurred absent such a determination by the Administrator (or such a delegate as the case may be). Notwithstanding anything contained herein to the contrary (and subject to Section 8(c)), any Stock Units subject to the Award that do not become vested as of the Vesting Date shall automatically terminate and be extinguished as of the Vesting Date (after giving effect to the Administrator's determination as to whether vesting took place within the 60-day period following the Vesting Date).

The Base Price and performance goal set forth above shall be equitably and proportionally adjusted to preserve the intended benefits of the Award and mitigate the effects of (i) any stock splits, reverse stock splits and dividends of stock or other property that occur during the Performance Period, and (ii) to the extent that such adjustment does not violate Section 162(m) of the Code and does not result in a modification of the Award pursuant to applicable accounting rules, any other extraordinary event not foreseen at the time the Performance Goals were established. The Administrator's determination of whether such an adjustment is required, and the nature and extent of any such adjustment, shall be final and binding on all persons.

Notwithstanding the foregoing, and except as expressly otherwise provided in Section 8 of this Agreement, any vesting of Stock Units subject to the Award is conditioned upon the Participant being an employee of the Corporation, or one of its directly or indirectly owned subsidiaries, continuously through the applicable Vesting Date (subject to the provisions of Section 8(a) of this Agreement).

Form of Fiscal Year 2013 Supplemental Performance Stock Unit Award Agreement

INTERNATIONAL RECTIFIER CORPORATION
2011 PERFORMANCE INCENTIVE PLAN
SUPPLEMENTAL PERFORMANCE STOCK UNIT AWARD AGREEMENT

Participant Name:

Number of Stock Units: (1)

Vesting Schedule: See vesting provisions set forth in Exhibit A attached hereto(1)

Award Date: *June 27, 2013*

(1) All share and unit numbers are subject to adjustment under the terms of the Plan. The Stock Units are subject to acceleration and termination prior to vesting as provided herein.

THIS AGREEMENT is among **INTERNATIONAL RECTIFIER CORPORATION**, a Delaware corporation (the "Corporation"), and the employee named above (the "Participant"), an employee of the Corporation or one of its Subsidiaries, and is delivered under the International Rectifier Corporation 2011 Performance Incentive Plan (the "Plan").

W I T N E S S E T H

WHEREAS, the Compensation and Stock Option Committee of the Board has approved, and the Corporation has granted, effective as of the Award Date, to the Participant a restricted stock unit award under the Plan (the "Stock Unit Award" or "Award"), upon the terms and conditions set forth herein and in the Plan.

NOW THEREFORE, in consideration of services rendered by the Participant and the mutual promises made herein and the mutual benefits to be derived therefrom, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan. For purposes of this Agreement, a "Stock Unit" means a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of Common Stock of the Corporation.

2. Grant. Subject to the terms of this Agreement and the Plan, the Corporation grants to the Participant a Stock Unit Award with respect to an aggregate number of Stock Units set forth above. The Corporation acknowledges that the consideration for the shares payable with respect to the Stock Units on the terms set forth in this Agreement shall be the services rendered to the Corporation and its Subsidiaries by the Participant prior to the applicable vesting date, the fair value of which is not less than the par value per share of the Corporation's Common Stock.

3. **Vesting.** The Stock Units subject to the Award shall become vested as set forth in Exhibit A attached hereto and incorporated herein by reference, subject to earlier termination or acceleration and subject to adjustment as provided herein.

4. **Continuance of Employment Required.** Except as otherwise provided herein, the vesting schedule applicable to the Stock Units requires continued service through the "Vesting Date" set forth in Exhibit A attached hereto as a condition to the vesting of the award and the rights and benefits under this Agreement. Service for only a portion of the vesting period, even if a substantial portion, will not (except as otherwise expressly provided in Section 8) entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or service.

5. **Limitations on Rights Associated with Units.** The Participant shall have no rights as a stockholder of the Corporation, no dividend rights and no voting rights with respect to the Stock Units or any shares of Common Stock issuable in respect of such Stock Units, until shares of Common Stock are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of the stock certificate evidencing the shares.

6. **Restrictions on Transfer.** Prior to the time the Stock Units are vested and paid, neither the Stock Units comprising the Award nor any other rights of the Participant under this Agreement or the Plan may be transferred, except as expressly provided in Section 5.7 of the Plan. No specific exception to the general transfer prohibitions set forth in Section 5.7 of the Plan has been authorized by the Administrator.

7. **Timing and Manner of Payment with Respect to Stock Units.** Stock Units subject to this Agreement will be paid in an equivalent number of shares of Common Stock promptly after (and in all events within two and one-half months after) the vesting of such Stock Units in accordance with the terms hereof, subject to adjustment as contemplated by Section 9. The Participant or other person entitled under the Plan to receive the shares shall deliver to the Corporation any representations or other documents or assurances required pursuant to Section 8.1 of the Plan.

8. **Effect of Termination of Employment or Change in Control.**

(a) **Termination after Certain Events.** Subject to the next sentence, in the event the Participant ceases to be employed by the Corporation or one of its Subsidiaries, the Participant's Stock Units shall be extinguished to the extent such Stock Units have not become vested prior to such termination of employment, and regardless of the reason for such termination of employment, whether with or without cause, voluntarily or involuntarily. If the Participant incurs a permanent and total disability resulting in the Participant's termination of employment with, or if the Participant dies while employed by, the Corporation or a Subsidiary and while the Participant's Stock Units are outstanding, then: (i) any Stock Units subject to the Award that are outstanding and unvested and relate to a Performance Goal that was achieved on or before such termination of employment shall be vested as of such termination of employment; and (2) any Stock Units subject to the Award that are outstanding and unvested and relate to a Performance Goal that was not achieved on or before such termination of employment shall remain outstanding and shall be eligible to become vested on a prorated basis if that Performance Goal is attained in the one hundred and twenty-five (125) day period following such termination of employment (such that the number of such Stock Units that shall become vested on the date that such Performance Goal is attained shall equal (x) the number of such Stock Units that would have vested as of the Vesting Date as set forth in Exhibit A attached hereto with respect to that Performance Goal had the Participant's employment continued through such Vesting Date, multiplied by (y) a fraction, the numerator of which shall be the number of days the Participant was employed by the Corporation or one of its subsidiaries during the applicable Calculation Period (as defined in Exhibit A) applicable to such Performance Goal, and the denominator of which shall be the number of days in such Calculation Period). Any Stock Units that remain outstanding for such a 125-day period and as to which the related Performance Goal is not attained on or before the last day of such 125-day period shall be extinguished as of the last day of such 125-day period.).

(b) **Termination of Stock Units.** If any Stock Units are extinguished hereunder, such unvested, extinguished Stock Units, without payment of any consideration by the Corporation or any Subsidiary, shall automatically terminate and be cancelled without any other action by the Participant, or the Participant's beneficiary, as the case may be.

(c) **Determination of Vesting Upon Change in Control.** Notwithstanding anything contained in Section 7.2 of the Plan to the contrary or Exhibit A, should a Change in Control (as defined below) occur this Section 8(c) applies as to any Stock Units that are outstanding immediately prior to the Change in Control.

If, in connection with a Change in Control, the Administrator has made a provision for the substitution, assumption, exchange or other continuation of the Award, the vesting rules of Exhibit A shall continue following the Change in Control, subject to (1) the next sentence, (2) the other provisions of this Section 8, and (3) the adjustment provisions of Section 7.1 of the Plan. In such circumstances, if any Performance Goal (as defined in Exhibit A) has not previously been achieved in accordance with the terms of this Agreement (allowing for the right of the Administrator or its designee to make such a determination within the 60 day period described in Exhibit A), the price paid per share of Common Stock pursuant to the terms of the Change in Control (or, if there is no such price, the fair market value of a share of Common Stock (as determined under Section 5.6 of the Plan) on the date of the Change in Control) shall be deemed the "Average Share Price" (as defined in Exhibit A attached hereto) for purposes of making the determination of whether any such Performance Goal has been achieved as of the date of the Change in Control. For purposes of clarity, such special Average Share Price determination shall apply only as of the date of the Change in Control and the usual Average Share Price provisions of Exhibit A shall continue to apply as to any date following the Change in Control.

If, in connection with a Change in Control, the Award is to terminate upon (or immediately prior to) the Change in Control and the Administrator has not made a provision for the substitution, assumption, exchange or other continuation of the Award, this paragraph applies. If any Performance Goal has not previously been achieved in accordance with the terms of this Agreement (allowing for the right of the Administrator or its designee to make such a determination within the 60 day period described in Exhibit A), the price paid per share of Common Stock pursuant to the terms of the Change in Control (or, if there is no such price, the fair market value of a share of Common Stock (as determined under Section 5.6 of the Plan) on the date of the Change in Control) shall be deemed the "Average Share Price" (as defined in Exhibit A attached hereto) for purposes of making the determination of whether any such Performance Goal has been achieved, and as to any Performance Goal that the Administrator determines has been achieved (based on such Average Share Price or otherwise achieved prior to the Change in Control), the Stock Units that relate to that Performance Goal shall vest (to the extent not previously vested) as of (or, as necessary to effect such acceleration, immediately prior to) the Change in Control and be paid in accordance with Section 7. Any Stock Units that are outstanding immediately prior to the Change in Control and relate to a Performance Goal that has not been achieved in accordance with the terms hereof as of the Change in Control shall be extinguished upon the Change in Control.

For purposes of this Agreement, "Change in Control" has the meaning assigned to such term in the Plan; provided, however, that for purposes of this Agreement, the percentages in paragraph (a) and in clause (2) of paragraph (c) of such definition shall be fifty percent (50%) instead of thirty percent (30%).

Determinations of Average Share Price pursuant to the preceding provisions of this Section 8(c) shall be determined by the Administrator by adding back any ordinary or extraordinary cash dividends (without interest) paid by the Corporation on the Common Stock at any time between the Award Date and the date of the applicable Change in Control.

(d) Possible Acceleration Upon Change in Control and Termination of Employment.

To the extent the Award continues in effect following a Change in Control and is not fully vested, this Section 8(d) applies notwithstanding any provision of Section 8(a) or Exhibit A to the contrary (provided that the Stock Units remain subject to being extinguished as of the end of the Company's fiscal year ending in June 2016 to the extent the applicable Performance Goals are not attained on or before the end of such fiscal year).

In the event the Participant's employment with the Corporation or a Subsidiary is terminated by the Corporation or a Subsidiary other than for Cause (as defined below) (or the Participant resigns from his or her employment with the Corporation or a Subsidiary for Good Reason (as defined below)) upon or any time during a Protected Period (as defined below), then any portion of the Stock Units subject to the Award that were outstanding and not otherwise fully vested immediately prior to such termination of employment shall be deemed fully vested upon such termination of employment and shall be paid in accordance with Section 7.

For purposes of this Agreement, "Cause" means any one or more of the following committed (or omitted) by the Participant: (i) conviction of, or guilty plea or plea of nolo contendere to, a felony crime; (ii) gross misconduct that is materially injurious to the Corporation and/or any of its Subsidiaries or affiliates; (iii) repeated failure to follow the reasonable and lawful directions of the Corporation after the Participant has received at least one written warning from the Corporation; (iv) any willful and/or intentional material violation of any written Corporation policy or procedure; or (v) a material breach of any agreement to which the Participant is a party with the Corporation or any of its Subsidiaries. Whether or not Cause exists in clauses (ii) through (v) shall in each case be determined in good faith by the Corporation. Notwithstanding the foregoing, the Participant shall not be deemed to have been terminated for "Cause" under clauses (ii) through (v) unless and until the Corporation shall provide the Participant with written notice detailing why the Corporation believes a Cause event has occurred and specifying the particulars thereof in detail. The Corporation shall also provide the Participant with ten days after his/her receipt of such notice to cure the Cause event(s) (if curable) and the opportunity, together with the Participant's counsel (if the Participant chooses to have counsel present at such meeting), to be heard before the Board (or, in the Board's discretion, the Administrator or their delegates) during such ten day period. Nothing herein will limit the right of the Participant to contest the validity or propriety of any such determination.

For purposes of this Agreement, “Good Reason” means that any one or more of the following have occurred without the Participant’s prior written consent: (i) the Participant has, except in connection with termination of employment for Cause or due to the Participant’s death or total disability, suffered a material diminution in the Participant’s job responsibilities as in effect immediately prior to the public announcement of a contemplated Change in Control (and where such Change in Control does occur); provided, however, that neither mere changes in title and/or reporting relationship, nor reassignment following a Change in Control to a position that is similar to the position held immediately prior to such public announcement of the contemplated Change in Control shall constitute a material diminution in job responsibilities; provided further, that if the Participant’s job title as of the Award Date is denoted as or is in effect an “Interim” or “Acting” position, then a subsequent reassignment to a position of the same level which the Participant held immediately prior to assuming such Interim or Acting position or to a higher level shall not constitute a Good Reason event; (ii) the Participant has incurred a material reduction in his or her annual rate of base pay or his or her annual target bonus opportunity; (iii) the Participant has been notified that his or her principal place of work will be relocated to a new location that is forty miles or more from the Participant’s principal work location as of immediately before the public announcement of a contemplated Change in Control (and where such Change in Control does occur); or (iv) the Corporation has materially breached any agreement to which the participant is a party. Before “Good Reason” has been deemed to have occurred, the Participant must give the Corporation written notice detailing why the Participant believes a Good Reason event has occurred and such notice must be provided to the Corporation within sixty days of the initial occurrence of such alleged Good Reason event(s) or else such Good Reason event(s) will be deemed to have been irrevocably waived by the Participant. The Corporation shall then have thirty days after its receipt of written notice to cure or remedy the items cited in the written notice so that “Good Reason” will not have formally occurred with respect to the event(s) in question. If the Corporation does not timely remedy or cure the Good Reason events, then the Participant may terminate employment for “Good Reason” with respect to such event(s) only for a period of sixty days following the end of the Corporation’s thirty day cure period.

For purposes of this Agreement, “Protected Period” means the two-year period immediately following (and commencing on) a Change in Control.

9. Adjustments in Case of Changes in Common Stock. Upon the occurrence of certain events relating to the Corporation’s stock contemplated by Section 7.1 of the Plan (including, without limitation, an extraordinary cash dividend on such stock), the Administrator shall make adjustments in accordance with such section in the number of Stock Units then outstanding and the number and kind of securities that may be issued in respect of the Award.

10. Tax Withholding. Subject to Section 8.1 of the Plan, upon any distribution of shares of Common Stock in respect of the Stock Units, the Corporation shall automatically reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then fair market value (with the “fair market value” of such shares determined in accordance with the applicable provisions of the Plan), to satisfy any withholding obligations of the Corporation or its Subsidiaries with respect to such distribution of shares at the minimum applicable withholding rates. In the event that the Corporation cannot legally satisfy such withholding obligations by such reduction of shares, or in the event of a cash payment or any other withholding event in respect of the Stock Units, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

11. **Notices.** Any notice to be given under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal office located at 101 North Sepulveda Boulevard, El Segundo, California 90245, to the attention of the Assistant Secretary and to the Participant at the address given beneath the Participant's signature hereto, or at such other address as either party may hereafter designate in writing to the other.

12. **Plan and Program.** The Award and all rights of the Participant with respect thereto are subject to, and the Participant agrees to be bound by, all of the terms and conditions of the provisions of the Plan, incorporated herein by reference, to the extent such provisions are applicable to awards granted to employees. The Participant acknowledges receipt of a copy of the Plan, which is made a part hereof by this reference, and agrees to be bound by the terms thereof. Unless otherwise expressly provided in other Sections of this Agreement, provisions of the Plan that confer discretionary authority on the Administrator do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Administrator so conferred by appropriate action of the Administrator under the Plan after the date hereof.

13. **No Service Commitment by Corporation.** Nothing contained in this Agreement or the Plan constitutes an employment commitment by the Corporation or any of its Subsidiaries, affects the Participant's status as an employee at-will who is subject to termination without cause, confers upon the Participant any right to remain employed by the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation.

14. **Entire Agreement.** This Agreement and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Corporation. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

15. **Limitation on Participant's Rights.** Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Corporation as to amounts payable and shall not be construed as creating a trust. The Plan, in and of itself, has no assets. The Participant shall have only the rights of a general unsecured creditor of the Corporation (or applicable Subsidiary) with respect to amounts credited and benefits payable, if any, with respect to the Stock Units, and rights no greater than the right to receive the Common Stock (subject to adjustments) as a general unsecured creditor with respect to Stock Units, as and when payable hereunder.

16. **Section Headings.** The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

17. **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflict of law principles thereunder.

18. Construction. It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent.

19. Clawback Policy. The Stock Units are subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Stock Units or any shares of Common Stock or other cash or property received with respect to the Stock Units (including any value received from a disposition of the shares acquired upon payment of the Stock Units).

20. Suspension of Form S-8. If upon any given Vesting Date, the registration statement on Form S-8 (as may have been amended or superseded from time to time) filed by the Corporation with the Securities and Exchange Commission with respect to the Plan has been suspended or is no longer effective, and the Administrator or its designee reasonably anticipates that the issuance of Common Stock in respect of any of the Stock Units on such Vesting Date would violate applicable federal securities laws, then vesting shall not occur (and the Vesting Date shall be delayed) until the Administrator or its designee reasonably anticipates that making such payment will not cause such a violation.

21. Electronic Signature or Acknowledgement. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. The provision of photographic or facsimile copies, or electronic signature, confirmation or acknowledgement of or by a party, shall constitute an effective original signature of a party for all purposes under this Agreement, and may be used with the same effect as manually signed originals of this Agreement for any purpose.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. By the Participant's execution of this Agreement, the Participant agrees to the terms and conditions hereof and of the Plan.

**INTERNATIONAL RECTIFIER
CORPORATION**, a Delaware corporation

PARTICIPANT

By: _____

*Signature by Electronic Acceptance or Confirmation
Signature*

Print Name:

Address

Its:

City, State, Zip Code

PERFORMANCE GOAL - VESTING

Subject to the terms of the Plan and this Agreement, forty percent (40%) of the total number of Stock Units subject to the Award are eligible to become vested on the one year anniversary (the "40% Vesting Date") of the first occurrence of (the following being the "40% Performance Goal") the Corporation's "Average Share Price" (as defined below) being equal to or greater than 140% of the closing price of a share of Common Stock (in regular trading) on the Award Date (the "Base Price").

Subject to the terms of the Plan and this Agreement, sixty percent (60%) of the total number of Stock Units subject to the Award are eligible to become vested on the one year anniversary (the "60% Vesting Date") of the first occurrence of (the following being the "60% Performance Goal") the Corporation's Average Share Price being equal to or greater than 150% of the Base Price.

The 40% Vesting Date and the 60% Vesting Date are each a "Vesting Date" for the purposes of this Agreement. The 40% Vesting Date and the 60% Vesting Date may occur on the same date, but for the avoidance of doubt, each of the 40% Vesting Date and the 60% Vesting Date may occur (and each of the 40% Performance Goal and 60% Performance Goal may be achieved) only once, if at all.

The 40% Performance Goal and the 60% Performance Goal are each a "Performance Goal" for the purposes of this Agreement.

For purposes of this Agreement, "Average Share Price" means the unweighted average of the daily closing prices of the Common Stock on the New York Stock Exchange for all trading days within any period of one hundred twenty-five (125) consecutive calendar days (with each such period being a "Calculation Period") that occurs during the period beginning with July 1, 2013 and ending on the last day of the Corporation's fiscal year ending in June 2016 (with such entire period of three fiscal years being the "Performance Period" hereunder); provided, however, that in determining the Average Share Price, the Administrator shall add back any ordinary or extraordinary cash dividends (without interest) paid by the Corporation on the Common Stock at any time between the Award Date and the end of the applicable Calculation Period. In determining the date of any given Vesting Date, the one year anniversary of the next trading day following the end of the applicable Calculation Period giving rise to such vesting event shall be used; provided however, if such applicable Calculation Period ends prior to the one year anniversary of the Award Date, then such Vesting Date shall occur on the one year anniversary of the next trading day following the Award Date.

Whether and the extent to which any of the Performance Goals have been achieved will be determined by the Administrator (or, to the extent consistent with Section 162(m) of the Code, its delegate) within 60 days following the applicable Calculation Period, and no vesting shall be deemed to have occurred absent such a determination by the Administrator (or such a delegate as the case may be). Notwithstanding anything contained herein to the contrary (but subject to Section 8(d)), any Stock Units subject to the Award for which the applicable Performance Goal described above has not been determined to have been achieved or has been determined not to have been achieved within 60 days following the end of the Company's fiscal year ending in June 2016 shall automatically terminate and be extinguished as of the end of such fiscal year.

The Base Price and Performance Goals set forth above shall be equitably and proportionately adjusted to preserve the intended benefits of the Award and mitigate the effects of (1) any stock splits, reverse stock splits, and dividends of stock or other property that occur during the Performance Period, and (2) to the extent that such an adjustment does not violate Section 162(m) of the Code and does not result in a modification of the Award pursuant to applicable accounting rules, any other extraordinary event not foreseen at the time the Performance Goals were established. The Administrator's determination of whether such an adjustment is required, and the nature and extent of any such adjustment, shall be final and binding on all persons.

Notwithstanding the foregoing, and except as expressly otherwise provided in Section 8 of this Agreement, any vesting of Stock Units subject to the Award is conditioned upon the Participant being an employee of the Corporation, or one of its directly or indirectly owned subsidiaries, continuously through the applicable Vesting Date.