



**CHARTER OF THE AUDIT COMMITTEE  
of the  
BOARD OF DIRECTORS  
of  
QLOGIC CORPORATION**

**I. PURPOSE**

The function of the Audit Committee (the “Committee”) of QLogic Corporation (the “Company”) is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing: the financial reports and other financial information provided by the Company to any governmental body or the public; the Company’s systems of internal controls regarding finance, accounting, legal compliance and ethics that management has established; and the Company’s accounting and financial reporting processes generally. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective committee to assist the Board of Directors in overseeing the Company’s financial reporting process and internal control system.
- Review and oversee the audit efforts of the Company’s independent registered public accounting firm.
- Provide an open avenue of communication among the independent registered public accounting firm, financial and senior management, and the Board of Directors.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter. The term “review” as applied to Committee activities in this Charter is not intended to have the meaning of the term “review” as used in auditing literature and should not be interpreted to suggest that the Committee members can or should follow the procedures required of independent public accountants performing reviews of financial statements. The Committee shall be given full and direct access to the Company’s Internal Audit department, the Board Chairman, Company executives and the independent registered public accounting firm as necessary to carry out these responsibilities. The Committee’s function is one of oversight only and shall not relieve the Company’s management of its responsibilities for preparing financial statements which accurately and fairly present the Company’s financial results and condition, or the responsibilities of the independent registered public accounting firm relating to the audit or review of financial statements. The Committee may form and delegate certain authority to sub-committees consisting of one or more members of the Committee.



## **II. COMPOSITION**

The Committee shall be comprised of not less than three outside directors as determined by the Board of Directors, each of whom shall meet the independence and experience requirements of The NASDAQ Stock Market and the independence requirements of Section 10A(m) of the Securities Exchange Act of 1934 (the "Exchange Act"). Accordingly, Committee members shall not receive any compensation from the Company except for service as a director or as a committee member. All members of the Committee shall be able to read and understand fundamental financial statements, including a balance sheet, income statement and cash flow statement. At least one member of the Committee shall qualify as an "audit committee financial expert" as defined by the SEC and shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities. No member of the Committee shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company during the preceding three years.

The members of the Committee and its Chair shall be recommended to the Board by the Nominating and Governance Committee and appointed by a majority of the Board of Directors at the annual organizational meeting of the Board. Each Committee member serves at the pleasure of the Board.

## **III. MEETINGS**

The Committee shall meet at least four times annually, prior to public release of quarterly earnings, or more frequently as circumstances dictate. As part of its responsibilities, the Committee should meet on a regular basis with management and representatives of the independent registered public accounting firm and, as necessary, in separate executive sessions (i) with only the independent registered public accounting firm, (ii) with only management or (iii) with only Committee members present to discuss any matters that the Committee believes should be discussed privately. The Committee shall regularly meet in executive session with the independent registered public accounting firm outside the presence of management. At all Committee meetings, a majority of the total number of members of the Committee shall constitute a quorum. Minutes shall be kept of each meeting of the Committee.

## **IV. RESPONSIBILITIES AND DUTIES**



To fulfill its responsibilities and duties, the Committee will take the following actions:

### **Documents and Reports Review**

1. Review (on an annual basis) the Committee's compliance with this Charter and update (as deemed necessary) this Charter, which shall be published on the Company's website.
2. Review the Company's annual financial statements including the Company's annual report on Form 10-K.
3. Review with financial management the results of operations and financial condition of the Company prior to the release of earnings.
4. Review the risk assessment plan followed by the Company in addressing financial reporting risks and such other risks as delegated by the Board.

### **Independent Accountants**

5. Be directly responsible for appointment, determination of the compensation for, retention and oversight of the work of the independent registered public accounting firm employed to conduct the audit (including resolution of disagreements between the independent registered public accounting firm and management regarding financial reporting) or other audit, review or attest services. The independent registered public accounting firm shall report directly to the Committee. On an annual basis, the Committee should review and discuss with the independent registered public accounting firm all significant relationships, including all non-audit services and consulting relationships, which the independent registered public accounting firm has with the Company to evaluate the accountants' independence.
6. Review the performance of the independent registered public accounting firm.
7. Periodically consult with the independent registered public accounting firm without the presence of management about internal controls and the Company's financial statements.
8. Review the competence of the key partners and managers of the independent registered public accounting firm who are responsible for the Company's audit and assure regular rotation of the lead audit partner, as required by law. In addition, review the firm's internal quality control



procedures and any material issues or inquiries by regulatory authorities, and recommend the firm for approval by the stockholders, if appropriate.

9. Pre-approve all audit services and permissible non-audit services by the independent registered public accounting firm in accordance with the Company's pre-approval policy, and consistent with the requirements of applicable regulatory authorities.
10. Review the Company's hiring policies for any employee or former employee of the independent registered public accounting firm.

### **Financial Reporting Processes**

11. In consultation with the independent registered public accounting firm and financial management, review the integrity of the Company's financial reporting processes.
12. Review with the independent registered public accounting firm (and management, as appropriate) significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including an analysis of the effect of alternative generally accepted accounting principles on the Company's financial statements and a description of any transactions as to which management obtained reports in accordance with applicable professional standards and rules and regulations of the Securities and Exchange Commission (the "SEC").
13. Review with management any significant changes in accounting principles and practices and the effects of these changes on the Company's financial reporting.
14. Regularly report to the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements and the performance and independence of the Company's independent registered public accounting firm.

### **Process Improvement**

15. Following the completion of the annual audit, review separately with management and the independent registered public accounting firm any significant difficulties encountered during the course of the audit, including



any restrictions on the scope of the work or access to required information.

16. Review any significant disagreement among management and the independent registered public accounting firm in connection with the preparation of the financial statements.
17. Review with the independent registered public accounting firm and management the extent to which changes or improvements in financial or accounting practices have been implemented.

### **Ethical and Legal Compliance**

18. Review and approve periodically the Business Ethics Policy and Insider Trading Policy (the “Code of Ethics”).
19. Oversee management’s process for monitoring the Company’s compliance with the Code of Ethics, and evaluate whether management has the proper review system in place to cause the Company’s financial statements, reports and other financial information disseminated to governmental organizations and the public to satisfy legal requirements.
20. Oversee procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or financial reporting matters; and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or financial reporting matters.
21. Review the activities, organizational structure and qualifications of the internal audit department.
22. Review and approve the charter and annual audit plan of the internal audit department, including any changes thereto.
23. Review, with the Company’s Legal Counsel, legal compliance matters including corporate securities trading policies.
24. Review, with the Company’s Legal Counsel, any legal matter that could have a significant impact on the Company’s financial statements.
25. Perform any other activities consistent with this Charter, the Company’s By-laws and governing law, as the Chair of the Committee deems necessary or appropriate.



26. Review and approve all related party transactions, as defined by applicable NASDAQ rules, to which the Company is a party.
27. Determine the appropriate funding for the independent registered public accounting firm and the ordinary administrative expenses of the Committee that are necessary or appropriate to carry out its duties, investigate any matter brought to its attention within the scope of its duties, and engage and determine funding for consultants or independent counsel as the Committee deems appropriate.

### **Audit Committee Report**

28. The Committee shall prepare a report to be included in the Company's proxy statements. The Committee's report shall state whether:
  - The Committee has reviewed and discussed the audited annual financial statements with management;
  - The Committee has discussed with the independent registered public accounting firm the matters required to be discussed under applicable professional standards;
  - The Committee has received from the independent registered public accounting firm the written disclosures and communications in accordance with PCAOB requirements concerning independence; and
  - Based upon the review and discussions noted above, the Committee has recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K to be filed with the SEC.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.