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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

Commission file number 1-4482

ARROW ELECTRONICS, INC.

(Exact name of registrant as specified in its charter)

New York	**11-1806155**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
7459 S. Lima Street, Englewood, Colorado	**80112**
(Address of principal executive offices)	(Zip Code)

(303) 824-4000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter was $3,496,447,095.

There were 106,013,578 shares of Common Stock outstanding as of February 4, 2013.

DOCUMENTS INCORPORATED BY REFERENCE

The definitive proxy statement related to the registrant's Annual Meeting of Shareholders, to be held May 23, 2013 is incorporated by reference in Part III to the extent described therein.

TABLE OF CONTENTS

PART I

Item 1.	Business.	3
Item 1A.	Risk Factors.	8
Item 1B.	Unresolved Staff Comments.	13
Item 2.	Properties.	13
Item 3.	Legal Proceedings.	13
Item 4.	Mine Safety Disclosures.	15

PART II

Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.	16
Item 6.	Selected Financial Data.	20
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations.	22
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk.	37
Item 8.	Financial Statements and Supplementary Data.	39
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.	81
Item 9A.	Controls and Procedures.	81
Item 9B.	Other Information.	83

PART III

Item 10.	Directors, Executive Officers and Corporate Governance.	84
Item 11.	Executive Compensation.	84
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.	84
Item 13.	Certain Relationships and Related Transactions, and Director Independence.	84
Item 14.	Principal Accounting Fees and Services.	84

PART IV

Item 15.	Exhibits and Financial Statement Schedules.	85
Signatures		93

PART I

Item 1. Business.

Arrow Electronics, Inc. (the "company" or "Arrow") is a global provider of products, services, and solutions to industrial and commercial users of electronic components and enterprise computing solutions. Serving its industrial and commercial customers, the company offers both a wide spectrum of products on behalf of leading electronic components and enterprise computing solutions suppliers, and a broad range of services and solutions that are complementary to the products Arrow distributes, including materials planning, new product design services, programming and assembly services, inventory management, reverse logistics, electronics asset disposition ("EAD"), training and education, and a variety of managed services including cloud computing, security, and networking services. The company also provides a comprehensive suite of online supply chain tools. Arrow was incorporated in New York in 1946 and serves over 100,000 customers.

Arrow's diverse worldwide customer base consists of original equipment manufacturers ("OEMs"), contract manufacturers ("CMs"), and other commercial customers. Customers include manufacturers of consumer and industrial equipment (including machine tools, factory automation, and robotic equipment), telecommunications products, automotive and transportation, aerospace and defense, scientific and medical devices, and computer and office products. Customers also include value-added resellers ("VARs") of enterprise computing solutions.

The company maintains over 300 sales facilities and 43 distribution and value-added centers in 55 countries, serving over 85 countries. Through this network, Arrow provides one of the broadest product offerings in the electronic components and enterprise computing solutions distribution industries and a wide range of value-added services to help customers introduce innovative products, reduce their time to market, and enhance their overall competitiveness. Through these offerings, Arrow guides innovation forward by helping its customers to deliver new technologies, new materials, new ideas, and new electronics that impact the business community and consumers.

The company has two business segments, the global components business segment and the global enterprise computing solutions ("ECS") business segment. The company distributes electronic components to OEMs and CMs through its global components business segment and provides enterprise computing solutions to VARs through its global ECS business segment. For 2012, approximately 65% of the company's sales were from the global components business segment, and approximately 35% of the company's sales were from the global ECS business segment. The financial information about the company's business segments and geographic operations is found in Note 16 of the Notes to the Consolidated Financial Statements.

The company's financial objectives are to grow sales faster than the market, increase the markets served, grow profits faster than sales, and increase return on invested capital. To achieve its objectives, the company seeks to capture significant opportunities to grow across products, markets, and geographies. To supplement its organic growth strategy, the company continually evaluates strategic acquisitions to broaden its product and value-added service offerings, increase its market penetration, and/or expand its geographic reach.

Global Components

As one of the largest distributors of electronic components and related services in the world, the company's global components business segment covers the world's largest electronics markets - the Americas, EMEA (Europe, Middle East, and Africa), and Asia Pacific regions. The Americas include sales and marketing organizations in Argentina, Brazil, Canada, Mexico, and the United States. In the EMEA region, the global components business segment operates in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, Israel, Italy, the Netherlands, Norway, Poland, Portugal, Romania, the Russian Federation, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine, and the United Kingdom. In the Asia Pacific region, the global components business segment operates in Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand, and Vietnam.

Over the past three years, the global components business segment completed 16 strategic acquisitions to broaden its product and service offerings, to further expand its geographic reach in the Asia Pacific region, and to increase its ecommerce capabilities to meet the evolving needs of customers and suppliers. The company's global components business segment also expanded its portfolio of products and services across the full product lifecycle including new product development, reverse logistics, and EAD.

Through acquisitions and organic growth, the global components business segment is a leading provider of online catalogs for electronic components; cloud-based design tools that expedite product development cycles; factory-direct end-of-life product inventory; and disposition solutions to redeploy, remarket and recycle technology assets.

Within the global components business segment, approximately 66% of the company's sales consist of semiconductor products and related services; approximately 20% consist of passive, electro-mechanical, and interconnect products, consisting primarily of capacitors, resistors, potentiometers, power supplies, relays, switches, and connectors; approximately 9% consist of computing and memory; and approximately 5% consist of other products and services. Most of the company's customers require delivery of their orders on schedules or volumes that are generally not available on direct purchases from manufacturers.

Most manufacturers of electronic components rely on authorized distributors, such as the company, to augment their sales and marketing operations. As a marketing, stocking, technical support, and financial intermediary, the distributor relieves manufacturers of a portion of the costs, financial risk, and personnel associated with these functions (including otherwise sizable investments in finished goods inventories, accounts receivable systems, and distribution networks), while providing geographically dispersed selling, order processing, and delivery capabilities to guide products to market. At the same time, the distributor offers to a broad range of customers the convenience of accessing, from a single source, multiple products from numerous suppliers and rapid or scheduled deliveries, as well as other value-added services, such as materials management, memory programming capabilities, and financing solutions. The growth of the electronics distribution industry is fostered by the many manufacturers who recognize their authorized distributors as essential extensions of their marketing organizations.

Global ECS

The company's global ECS business segment is a leading distributor of enterprise and midrange computing products, services, and solutions to VARs in North America and the EMEA region, as well as a provider of unified communications products and related services in North America. Over the past several years, the company has transformed its enterprise computing solutions business into a stronger organization with broader global reach; increased market share in the fast-growing product segments of software, storage, and unified communications; and a more robust and diversified customer and supplier base. Execution on the company's strategic objectives resulted in the global ECS business segment becoming a leading value-added distributor of enterprise products for various suppliers including IBM, EMC, NetApp, Oracle, and Hewlett-Packard, a leading distributor of enterprise storage and security and virtualization software, a key provider of unified communications to Fortune 50 companies, and a managed-service provider to Fortune 500 customers in the voice-over-Internet protocol market.

The global ECS geographic footprint has expanded from two countries (the United States and Canada) in 2005 to 28 countries around the world today. North America includes network operating centers and sales and marketing organizations in the United States and Canada. In the EMEA region, the global ECS business segment operates in Austria, Belgium, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Israel, Latvia, Lithuania, Luxembourg, Morocco, the Netherlands, Norway, Poland, Portugal, Serbia, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom.

Over the past three years, the global ECS business segment completed seven strategic acquisitions to further expand its geographic reach in the EMEA region and to expand its portfolio of products and services to include unified communications products and services, as well as cloud computing, security, and networking services.

Within the global ECS business segment, approximately 14% of the company's sales consist of proprietary servers, 8% consist of industry standard servers, 28% consist of software, 41% consist of storage, and 9% consist of services.

Global ECS provides VARs with many value-added services including, but not limited to, vertical market expertise, systems-level training and certification, solutions testing at Arrow ECS solutions centers, financing support, marketing augmentation, complex order configuration, and access to a one-stop-shop for mission-critical solutions. Midsize and large companies rely on VARs for their IT needs, and global ECS works with these VARs to tailor complex, highly technical mid-market and enterprise solutions in a cost-competitive manner. VARs range in size from small and medium-sized businesses to large global organizations and are typically structured as sales organizations and service providers. They purchase enterprise and mid-market computing solutions from distributors and manufacturers and resell them to end-customers. The increasing complexity of these solutions and increasing demand for bundled solutions is changing how VARs go to market, thereby increasing the importance of global ECS' value-added services. Global ECS' suppliers benefit from affordable mid-market access, demand creation, speed to market, and enhanced supply chain efficiency. For suppliers, global ECS is the aggregation point to approximately 12,000 VARs.

In better serving the needs of both suppliers and VARs, the company employs a "channel management" model that positions Arrow as an outsourced provider that fully manages the channel for its suppliers. This model benefits suppliers and VARs alike. Market development activities maximize Arrow's full line card, demand and lead generation services, and vertical enablement programs

to help suppliers reach more resellers and thus more end-customers. Channel development services guides resellers towards providing more value to their customers with training and education, business development, financing, and engineering. Services such as financial programs, on-site and remote professional services, supplier services, and managed services help resellers grow their business.

Aligned with the vision of guiding innovation forward in the IT channel, the company is investing in emerging and adjacent markets, such as managed services and unified computing, within the ECS business.

Customers and Suppliers

The company and its affiliates serve over 100,000 industrial and commercial customers. Industrial customers range from major OEMs and CMs to small engineering firms, while commercial customers primarily include VARs and OEMs. No single customer accounted for more than 3% of the company's 2012 consolidated sales.

The products offered by the company are sold by both field sales representatives, who regularly call on customers in assigned market areas, and by inside sales personnel, who call on customers by telephone or email from the company's selling locations. The company also employs sales teams that focus on small and emerging customers where sales representatives regularly call on customers by telephone or email from centralized selling locations, and inbound sales agents serving customers that call into the company.

Each of the company's North American selling locations and primary distribution centers in the global components business segment are electronically linked to the company's central computer system, which provides fully integrated, online, real-time data with respect to nationwide inventory levels and facilitates control of purchasing, shipping, and billing. The company's international operations in the global components business segment utilize similar online, real-time computer systems, with access to the company's worldwide stock check system. This system provides global access to real-time inventory data.

No single supplier accounted for more than 9% of the company's consolidated sales in 2012. The company believes that many of the products it sells are available from other sources at competitive prices. However, certain parts of the company's business, such as the company's global ECS business segment, rely on a limited number of suppliers with the strategy of providing focused support, deep product knowledge, and customized service to suppliers and VARs. Most of the company's purchases are pursuant to authorized distributor agreements, which are typically cancelable by either party at any time or on short notice.

Distribution Agreements

It is the policy of most manufacturers to protect authorized distributors, such as the company, against the potential write-down of inventories due to technological change or manufacturers' price reductions. Write-downs of inventories to market value are based upon contractual provisions, which typically provide certain protections to the company for product obsolescence and price erosion in the form of return privileges, scrap allowances, and price protection. Under the terms of the related distributor agreements and assuming the company complies with certain conditions, such suppliers are required to credit the company for reductions in manufacturers' list prices. As of December 31, 2012, this type of arrangement covered approximately 66% of the company's consolidated inventories. In addition, under the terms of many such agreements, the company has the right to return to the manufacturer, for credit, a defined portion of those inventory items purchased within a designated period of time.

A manufacturer, which elects to terminate a distribution agreement, is generally required to purchase from the distributor the total amount of its products carried in inventory. As of December 31, 2012, this type of repurchase arrangement covered approximately 67% of the company's consolidated inventories.

While these industry practices do not wholly protect the company from inventory losses, the company believes that they currently provide substantial protection from such losses.

Competition

The company's business is extremely competitive, particularly with respect to prices, franchises, and, in certain instances, product availability. The company competes with several other large multinational and national distributors, as well as numerous regional and local distributors. As one of the world's largest electronics distributors, the company's financial resources and sales are greater than most of its competitors.

Employees

The company and its affiliates employed approximately 16,500 employees worldwide as of December 31, 2012.

Available Information

The company files its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements, and other documents with the U.S. Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934. A copy of any document the company files with the SEC is available for review at the SEC's public reference room, 100 F Street, N.E., Washington, D.C. 20549. The SEC is reachable at 1-800-SEC-0330 for further information on the public reference room. The company's SEC filings are also available to the public on the SEC's Web site at http://www.sec.gov and through the New York Stock Exchange ("NYSE"), 20 Broad Street, New York, New York 10005, on which the company's common stock is listed.

A copy of any of the company's filings with the SEC, or any of the agreements or other documents that constitute exhibits to those filings, can be obtained by request directed to the company at the following address and telephone number:

Arrow Electronics, Inc.
7459 S. Lima Street
Englewood, Colorado 80112
(303) 824-4000
Attention: Corporate Secretary

The company also makes these filings available, free of charge, through its website (http://www.arrow.com) as soon as reasonably practicable after the company files such material with the SEC. The company does not intend this internet address to be an active link or to otherwise incorporate the contents of the website into this Annual Report on Form 10-K.

Executive Officers

The following table sets forth the names, ages, and the positions held by each of the executive officers of the company as of February 7, 2013:

Name	Age	Position
Michael J. Long	54	Chairman, President, and Chief Executive Officer
Peter S. Brown	62	Senior Vice President, General Counsel, and Secretary
Andrew S. Bryant	57	President, Arrow Global Enterprise Computing Solutions
Peter T. Kong	62	President, Arrow Global Components
Vincent P. Melvin	49	Vice President, Chief Information Officer
M. Catherine Morris	54	Senior Vice President, Chief Strategy Officer
Paul J. Reilly	56	Executive Vice President, Finance and Operations, and Chief Financial Officer
Gretchen K. Zech	43	Senior Vice President, Human Resources

Set forth below is a brief account of the business experience during the past five years of each executive officer of the company.

Michael J. Long was appointed Chairman of the Board of Directors in December 2009 and Chief Executive Officer of the company in May 2009. He was appointed a Director and President of the company in February 2008. Prior thereto he served as Chief Operating Officer of the company from February 2008 to May 2009 and Senior Vice President of the company from January 2006 to February 2008. During this time, he also served as President, Arrow Global Components from September 2006 to February 2008.

Peter S. Brown has been Senior Vice President, General Counsel, and Secretary of the company for more than five years.

Andrew S. Bryant was appointed President of Arrow Global Enterprise Computing Solutions in April 2008. Prior to joining Arrow he served as Chief Operating Officer for Jennings, Strouss & Salmon, P.L.C. from September 2007 to April 2008.

Peter T. Kong was appointed President of Arrow Global Components in May 2009. Prior thereto he served as President of Arrow Asia/Pacific from March 2006 to May 2009.

Vincent P. Melvin has been Vice President and Chief Information Officer of the company for more than five years.

M. Catherine Morris was appointed Chief Strategy Officer of the company in August 2008. Prior thereto she served as President, Arrow Enterprise Computing Solutions since January 2007. She has been Senior Vice President of the company for more than five years.

Paul J. Reilly was appointed Executive Vice President of Finance and Operations in May 2009. Prior thereto he served as Senior Vice President of the company from May 2005 to May 2009. He has been Chief Financial Officer of the company for more than five years.

Gretchen K. Zech was appointed Senior Vice President of Human Resources of the company in November 2011. Prior to joining Arrow she served as Senior Vice President, Human Resources, for Dex One Corporation (formerly known as R.H. Donnelley Corporation) from June 2006 to November 2011. R.H. Donnelley Corporation filed for reorganization under Chapter 11 of the United States Bankruptcy Code in May 2009 and emerged as Dex One Corporation in January 2010.

Item 1A. **Risk Factors.**

Described below and throughout this report are certain risks that the company's management believes are applicable to the company's business and the industry in which it operates. If any of the described events occur, the company's business, results of operations, financial condition, liquidity, or access to the capital markets could be materially adversely affected. When stated below that a risk may have a material adverse effect on the company's business, it means that such risk may have one or more of these effects. There may be additional risks that are not presently material or known. There are also risks within the economy, the industry, and the capital markets that could materially adversely affect the company, including those associated with an economic recession, inflation, and a global economic slowdown. There are also risks associated with the occurrence of natural disasters such as tsunamis, hurricanes, tornadoes, and floods. These factors affect businesses generally, including the company's customers and suppliers and, as a result, are not discussed in detail below except to the extent such conditions could materially affect the company and its customers and suppliers in particular ways.

If the company is unable to maintain its relationships with its suppliers or if the suppliers materially change the terms of their existing agreements with the company, the company's business could be materially adversely affected.

A substantial portion of the company's inventory is purchased from suppliers with which the company has entered into non-exclusive distribution agreements. These agreements are typically cancelable on short notice (generally 30 to 90 days). Certain parts of the company's business, such as the company's global ECS business, rely on a limited number of suppliers. To the extent that the company's significant suppliers reduce the amount of products they sell through distribution, are unwilling to continue to do business with the company, or are unable to continue to meet or significantly alter their obligations, the company's business could be materially adversely affected. In addition, to the extent that the company's suppliers modify the terms of their contracts with the company, limit supplies due to capacity constraints, or other factors, there could be a material adverse effect on the company's business.

The competitive pressures the company faces could have a material adverse effect on the company's business.

The market for the company's products and services is very competitive and subject to rapid technological change. Not only does the company compete with other distributors, it also competes for customers with many of its own suppliers. Additional competition has emerged from third-party logistics providers, catalogue distributors, and brokers. The company's failure to maintain and enhance its competitive position could adversely affect its business and prospects. Furthermore, the company's efforts to compete in the marketplace could cause deterioration of gross profit margins and, thus, overall profitability. The sizes of the company's competitors vary across market sectors, as do the resources the company has allocated to the sectors in which it does business. Therefore, some of the competitors may have a more extensive customer and/or supplier base than the company in one or more of its market sectors.

Products sold by the company may be found to be defective and, as a result, warranty and/or product liability claims may be asserted against the company, which may have a material adverse effect on the company.

The company sells its components at prices that are significantly lower than the cost of the equipment or other goods in which they are incorporated. As a result, the company may face claims for damages (such as consequential damages) that are disproportionate to the revenues and profits it receives from the components involved in the claims. While the company typically has provisions in its supplier agreements that hold the supplier accountable for defective products, and the company and its suppliers generally exclude consequential damages in their standard terms and conditions, the company's ability to avoid such liabilities may be limited as a result of differing factors, such as the inability to exclude such damages due to the laws of some of the countries where it does business. The company's business could be materially adversely affected as a result of a significant quality or performance issue in the products sold by the company, if it is required to pay for the associated damages. Although the company currently has product liability insurance, such insurance is limited in coverage and amount.

Declines in value and other factors pertaining to the company's inventory could materially adversely affect its business.

The market for the company's products and services is subject to rapid technological change, evolving industry standards, changes in end-market demand, oversupply of product, and regulatory requirements, which can contribute to the decline in value or obsolescence of inventory. Although most of the company's suppliers provide the company with certain protections from the loss in value of inventory (such as price protection and certain rights of return), the company cannot be sure that such protections will fully compensate it for the loss in value, or that the suppliers will choose to, or be able to, honor such agreements. For example, many of the company's suppliers will not allow products to be returned after they have been held in inventory beyond a certain amount of time, and, in most instances, the return rights are limited to a certain percentage of the amount of product the company

purchased in a particular time frame. All of these factors pertaining to inventory could have a material adverse effect on the company's business.

The company is subject to environmental laws and regulations that could materially adversely affect its business.

The European Union, China, and other jurisdictions in which the company's products are sold have enacted or are proposing to enact laws addressing environmental and other impacts from product disposal, use of hazardous materials in products, use of chemicals in manufacturing, recycling of products at the end of their useful life, and other related matters. These laws prohibit the use of certain substances in the manufacture of the company's products and directly and indirectly impose a variety of requirements for modification of manufacturing processes, registration, chemical testing, labeling, and other matters. Failure to comply with these laws or any other applicable environmental regulations could result in fines or suspension of sales. Additionally, these directives and regulations may result in the company having non-compliant inventory that may be less readily salable or have to be written off.

Some environmental laws impose liability, sometimes without fault, for investigating or cleaning up contamination on or emanating from the company's currently or formerly owned, leased, or operated property, as well as for damages to property or natural resources and for personal injury arising out of such contamination. As the distribution business, in general, does not involve the manufacture of products, it is typically not subject to significant liability in this area. However, there may be occasions, including through acquisitions, where environmental liability arises. Two sites for which the company assumed responsibility as part of the Wyle Electronics acquisition are known to have environmental issues, one at Norco, California and the other at Huntsville, Alabama. The company was also named as a defendant in a private lawsuit filed in connection with alleged contamination at a small industrial building formerly leased by Wyle Laboratories in El Segundo, California. The lawsuit was settled, but the possibility remains that government entities or others may attempt to involve the company in further characterization or remediation of groundwater issues in the area. The presence of environmental contamination could also interfere with ongoing operations or adversely affect the company's ability to sell or lease its properties. The discovery of contamination for which the company is responsible, the enactment of new laws and regulations, or changes in how existing requirements are enforced, could require the company to incur costs for compliance or subject it to unexpected liabilities.

The foregoing matters could materially adversely affect the company's business.

Expansion into the electronic asset disposition market has broadened the company's risk profile.

The company has recently expanded into the electronics asset disposition business, pursuant to which it provides services related to electronic devices being disposed of by business customers, including wiping data from customer equipment and either recycling it through resale or disposing of it in an environmentally compliant manner. The company may also hold equipment in order to protect and preserve customer data. If the company does not meet its contractual and regulatory obligations with respect to such data, it could be subject to contractual damages, penalties, and damage to reputation. Also, the company's or its subcontractors' failure to comply with applicable environmental laws and regulations in disposing of the equipment could result in liability. Such environmental liability may be joint and several, meaning that the company could be held responsible for more than its share of the liability involved. To the extent that company fails to comply with its obligations and such failure is not covered by insurance, the company's business could be adversely affected.

The company may not have adequate or cost-effective liquidity or capital resources.

The company requires cash or committed liquidity facilities for general corporate purposes, such as funding its ongoing working capital, acquisition, and capital expenditure needs, as well as to refinance indebtedness. At December 31, 2012, the company had cash and cash equivalents of $409.7 million. In addition, the company currently has access to committed credit lines of $ 1.975 billion, of which the company had outstanding borrowings of $348.6 million at December 31, 2012. At December 31, 2012, the company also had 6.875% senior notes with a carrying value of $335.4 million maturing in July 2013. The company's ability to satisfy its cash needs depends on its ability to generate cash from operations and to access the financial markets, both of which are subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond its control.

The company may, in the future, need to access the financial markets to satisfy its cash needs. The company's ability to obtain external financing is affected by various factors including general financial market conditions and the company's debt ratings. While, thus far, uncertainties in global credit markets have not significantly affected the company's access to capital, future financing could be difficult or more expensive. Further, any increase in the company's level of debt, change in status of its debt from unsecured to secured debt, or deterioration of its operating results may cause a reduction in its current debt ratings. Any downgrade in the company's current debt rating or tightening of credit availability could impair the company's ability to obtain additional financing or renew existing credit facilities on acceptable terms. Under the terms of any external financing, the company may

incur higher financing expenses and become subject to additional restrictions and covenants. For example, the company's existing debt agreements contain restrictive covenants, including covenants requiring compliance with specified financial ratios, and a failure to comply with these or any other covenants may result in an event of default. The company's lack of access to cost-effective capital resources, an increase in the company's financing costs, or a breach of debt covenants could have a material adverse effect on the company's business.

The agreements governing some of the company's financing arrangements contain various covenants and restrictions that limit some of management's discretion in operating the business and could prevent the company from engaging in some activities that may be beneficial to its business.

The agreements governing the company's financings contain various covenants and restrictions that, in certain circumstances, could limit its ability to:

- grant liens on assets;
- make restricted payments (including paying dividends on capital stock or redeeming or repurchasing capital stock);
- make investments;
- merge, consolidate, or transfer all or substantially all of its assets;
- incur additional debt; or
- engage in certain transactions with affiliates.

As a result of these covenants and restrictions, the company may be limited in how it conducts its business and may be unable to raise additional debt, compete effectively, or make investments.

The company's failure to have long-term sales contracts may have a material adverse effect on its business.

Most of the company's sales are made on an order-by-order basis, rather than through long-term sales contracts. The company generally works with its customers to develop non-binding forecasts for future volume of orders. Based on such non-binding forecasts, the company makes commitments regarding the level of business that it will seek and accept, the inventory that it purchases, and the levels of utilization of personnel and other resources. A variety of conditions, both specific to each customer and generally affecting each customer's industry may cause customers to cancel, reduce, or delay orders that were either previously made or anticipated, go bankrupt or fail, or default on their payments. Generally, customers cancel, reduce, or delay purchase orders and commitments without penalty. The company seeks to mitigate these risks, in some cases, by entering into noncancelable/nonreturnable sales agreements, but there is no guarantee that such agreements will adequately protect the company. Significant or numerous cancellations, reductions, delays in orders by customers, loss of customers, and/or customer defaults on payments could materially adversely affect the company's business.

The company's revenues originate primarily from the sales of semiconductor, PEMCO (passive, electro-mechanical and interconnect), IT hardware and software products, the sales of which are traditionally cyclical.

The semiconductor industry historically has experienced fluctuations in product supply and demand, often associated with changes in technology and manufacturing capacity and subject to significant economic market upturns and downturns. Sales of semiconductor products and related services represented approximately 43%, 47%, and 49% of the company's consolidated sales in 2012, 2011, and 2010, respectively. The sale of the company's PEMCO products closely tracks the semiconductor market. Accordingly, the company's revenues and profitability, particularly in its global components business segment, tend to closely follow the strength or weakness of the semiconductor market. Further, economic weakness could cause a decline in spending in information technology, which could have a negative impact on the company's ECS business. A cyclical downturn in the technology industry could have a material adverse effect on the company's business and negatively impact its ability to maintain historical profitability levels.

The company's non-U.S. sales represent a significant portion of its revenues, and consequently, the company is exposed to risks associated with operating internationally.

In 2012, 2011, and 2010, approximately 52%, 55%, and 56%, respectively, of the company's sales came from its operations outside the United States. As a result of the company's international sales and locations, its operations are subject to a variety of risks that are specific to international operations, including the following:

- import and export regulations that could erode profit margins or restrict exports;
- the burden and cost of compliance with international laws, treaties, and technical standards and changes in those regulations;

- potential restrictions on transfers of funds;
- import and export duties and value-added taxes;
- transportation delays and interruptions;
- uncertainties arising from local business practices and cultural considerations;
- enforcement of the Foreign Corrupt Practices Act, or similar laws of other jurisdictions;
- foreign laws that potentially discriminate against companies which are headquartered outside that jurisdiction;
- recent volatility associated with sovereign debt of certain international economies;
- potential military conflicts and political risks; and
- currency fluctuations, which the company attempts to minimize through traditional hedging instruments.

Furthermore, products the company sells which are either manufactured in the United States or based on U.S. technology ("U.S. Products") are subject to the Export Administration Regulations ("EAR") when exported and re-exported to and from all international jurisdictions, in addition to the local jurisdiction's export regulations applicable to individual shipments. Licenses or proper license exemptions may be required by local jurisdictions' export regulations, including EAR, for the shipment of certain U.S. Products to certain countries, including China, India, Russia, and other countries in which the company operates. Non-compliance with the EAR or other applicable export regulations can result in a wide range of penalties including the denial of export privileges, fines, criminal penalties, and the seizure of inventories. In the event that any export regulatory body determines that any shipments made by the company violate the applicable export regulations, the company could be fined significant sums and/or its export capabilities could be restricted, which could have a material adverse effect on the company's business.

Also, the company's operating income margins are lower in certain geographic markets. Operating income in the components business in Asia/Pacific and the global ECS business in Europe tends to be lower than operating income in the other markets in which the company sells products and services. As sales in those markets increased as a percentage of overall sales, consolidated operating income margins have fallen. The financial impact of lower operating income on returns on working capital was offset, in part, by lower working capital requirements. While the company has and will continue to adopt measures to reduce the potential impact of losses resulting from the risks of doing business abroad, it cannot ensure that such measures will be adequate and, therefore, could have a material adverse effect on its business.

When the company makes acquisitions, it may take on additional liabilities or not be able to successfully integrate such acquisitions.

As part of the company's history and growth strategy, it has acquired other businesses. Acquisitions involve numerous risks, including the following:

- problems combining the acquired operations, technologies, or products;
- unanticipated costs or assumed liabilities, including those associated with regulatory actions or investigations;
- diversion of management's attention;
- negative effects on existing customer and supplier relationships; and
- potential loss of key employees, especially those of the acquired companies.

Further, the company has made, and may continue to make acquisitions of, or investments in new services, businesses or technologies to expand our current service offerings and product lines. Some of these may involve risks that may differ from those traditionally associated with our core distribution business, including undertaking product or service warranty responsibilities that in our traditional core business would generally reside primarily with our suppliers. If we are not successful in mitigating or insuring against such risks, they could have a material adverse effect on the company's business.

The company's goodwill and identifiable intangible assets could become impaired, which could reduce the value of its assets and reduce its net income in the year in which the write-off occurs.

Goodwill represents the excess of the cost of an acquisition over the fair value of the assets acquired. The company also ascribes value to certain identifiable intangible assets, which consist primarily of customer relationships and trade names, among others, as a result of acquisitions. The company may incur impairment charges on goodwill or identifiable intangible assets if it determines that the fair values of the goodwill or identifiable intangible assets are less than their current carrying values. The company evaluates, on a regular basis, whether events or circumstances have occurred that indicate all, or a portion, of the carrying amount of goodwill may no longer be recoverable, in which case an impairment charge to earnings would become necessary.

Refer to Notes 1 and 3 of the Notes to the Consolidated Financial Statements and 'Critical Accounting Policies' in Management's Discussion and Analysis of Financial Condition and Results of Operations for further discussion of the impairment testing of goodwill and identifiable intangible assets.

A decline in general economic conditions or global equity valuations could impact the judgments and assumptions about the fair value of the company's businesses and the company could be required to record impairment charges on its goodwill or other identifiable intangible assets in the future, which could impact the company's consolidated balance sheet, as well as the company's consolidated statement of operations. If the company was required to recognize an impairment charge in the future, the charge would not impact the company's consolidated cash flows, current liquidity, capital resources, and covenants under its existing revolving credit facility, asset securitization program, and other outstanding borrowings.

If the company fails to maintain an effective system of internal controls or discovers material weaknesses in its internal controls over financial reporting, it may not be able to report its financial results accurately or timely or detect fraud, which could have a material adverse effect on its business.

An effective internal control environment is necessary for the company to produce reliable financial reports and is an important part of its effort to prevent financial fraud. The company is required to periodically evaluate the effectiveness of the design and operation of its internal controls over financial reporting. Based on these evaluations, the company may conclude that enhancements, modifications, or changes to internal controls are necessary or desirable. While management evaluates the effectiveness of the company's internal controls on a regular basis, these controls may not always be effective. There are inherent limitations on the effectiveness of internal controls, including collusion, management override, and failure in human judgment. In addition, control procedures are designed to reduce rather than eliminate financial statement risk. If the company fails to maintain an effective system of internal controls, or if management or the company's independent registered public accounting firm discovers material weaknesses in the company's internal controls, it may be unable to produce reliable financial reports or prevent fraud, which could have a material adverse effect on the company's business. In addition, the company may be subject to sanctions or investigation by regulatory authorities, such as the SEC or the NYSE. Any such actions could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of the company's financial statements, which could cause the market price of its common stock to decline or limit the company's access to capital.

The company relies heavily on its internal information systems, which, if not properly functioning, could materially adversely affect the company's business.

The company's current global operations reside on multiple technology platforms. The size and complexity of the company's computer systems make them potentially vulnerable to breakdown, malicious intrusion, and random attack. Likewise, data privacy breaches by employees and others who access the company's systems may pose a risk that sensitive data may be exposed to unauthorized persons or to the public. While the company believes that it has taken appropriate security measures to protect its data and information technology systems, there can be no assurance that these efforts will prevent breakdowns or breaches in the company's systems that could have a material adverse effect on the company's business. Because most of the company's systems consist of a number of legacy, internally developed applications, it can be harder to upgrade and may be more difficult to adapt to commercially available software.

The company has initiated a global enterprise resource planning ("ERP") effort to standardize processes worldwide and adopt best-in-class capabilities. The company has committed significant resources to this new ERP system, which replaces multiple legacy systems of the company, and is expected to be implemented globally over the next several years. This conversion is extremely complex, in part, because of the wide range of processes and the multiple legacy systems that must be integrated globally. The company is using a controlled project plan that it believes will provide for the adequate allocation of resources. However, such a plan, or a divergence from it, may result in cost overruns, project delays, or business interruptions. During the conversion process, the company may be limited in its ability to integrate any business that it may want to acquire. Failure to properly or adequately address these issues could impact the company's ability to perform necessary business operations, which could materially adversely affect the company's business.

The company may be subject to intellectual property rights claims, which are costly to defend, could require payment of damages or licensing fees and could limit the company's ability to use certain technologies in the future.

Certain of the company's products and services include intellectual property owned by the company and/or its third party suppliers. Substantial litigation and threats of litigation regarding intellectual property rights exist in the semiconductor/integrated circuit, software and some service industries. From time to time, third parties (including certain companies in the business of acquiring patents not for the purpose of developing technology but with the intention of aggressively seeking licensing revenue from purported infringers) may assert patent, copyright and/or other intellectual property rights to technologies that are important to the company's business. In some cases, depending on the nature of the claim, the company may be able to seek indemnification from its suppliers for itself and its customers against such claims, but there is no assurance that it will be successful in obtaining such indemnification or that the company is fully protected against such claims. In addition, the company is exposed to potential liability for technology that it develops itself for which it has no indemnification protections. In any dispute involving products or services that incorporate

intellectual property developed, licensed by the company, or obtained through acquisition, the company's customers could also become the target of litigation. The company is obligated in many instances to indemnify and defend its customers if the products or services the company sells are alleged to infringe any third party's intellectual property rights. Any infringement claim brought against the company, regardless of the duration, outcome, or size of damage award, could:

- result in substantial cost to the company;
- divert management's attention and resources;
- be time consuming to defend;
- result in substantial damage awards; or
- cause product shipment delays.

Additionally, if an infringement claim is successful the company may be required to pay damages or seek royalty or license arrangements, which may not be available on commercially reasonable terms. The payment of any such damages or royalties may significantly increase the company's operating expenses and harm the company's operating results and financial condition. Also, royalty or license arrangements may not be available at all. The company may have to stop selling certain products or using technologies, which could affect the company's ability to compete effectively.

Compliance with government regulations regarding the use of "conflict minerals" may result in increased costs and risks to the company.

As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Act"), the SEC has promulgated disclosure requirements regarding the use of certain minerals, which are mined from the Democratic Republic of Congo and adjoining countries, known as conflict minerals. The disclosure rules will take effect for the company in May 2014. The company may have to publicly disclose whether the products it sells contain conflict minerals and could incur significant costs related to implementing a process that will meet the mandates of the Act. Additionally, customers rely on the company to provide critical data regarding the parts they purchase and will likely request conflict mineral information. The company's material sourcing is broad-based and multi-tiered, and it may not be able to easily verify the origins for conflict minerals used in the products it sells. The company has many suppliers and each will provide conflict mineral information in a different manner, if at all. Accordingly, because the supply chain is complex, the company may face reputational challenges if it is unable to sufficiently verify the origins of conflict minerals used in its products . Additionally, customers may demand that the products they purchase be free of conflict minerals. The implementation of this requirement could affect the sourcing and availability of products the company purchases from its suppliers. This may reduce the number of suppliers that may be able to provide conflict free products, and may affect the company's ability to obtain products in sufficient quantities to meet customer demand or at competitive prices.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The company owns and leases sales offices, distribution centers, and administrative facilities worldwide. Its executive office is located in Englewood, Colorado and occupies a 115,000 square foot facility that is owned by the company. The company owns 12 locations throughout the Americas, EMEA, and Asia Pacific regions and occupies approximately 460 additional locations under leases due to expire on various dates through 2023. The company believes its facilities are well maintained and suitable for company operations.

Item 3. Legal Proceedings.

Environmental and Related Matters

In connection with the purchase of Wyle Electronics ("Wyle") from the VEBA Group ("VEBA") in August 2000, the company acquired certain of the then outstanding obligations of Wyle, including Wyle's 1994 indemnification obligations to the purchasers of its Wyle Laboratories division for environmental clean-up costs associated with any then existing contamination or violation of environmental regulations. Under the terms of the company's purchase of Wyle from VEBA, VEBA agreed to indemnify the company for certain costs associated with the Wyle environmental obligations, among other things. In 2000, VEBA merged with a publicly-traded German conglomerate; the combined entity is now known as E.ON SE ("E.ON"). The company is aware of two Wyle Laboratories facilities (in Huntsville, Alabama and Norco, California) at which contaminated groundwater was identified and will require environmental remediation. As further discussed in Note 15 of the Notes to the Consolidated Financial Statements, the Huntsville, Alabama site is being investigated by the company under the direction of the Alabama Department of Environmental

Management. The Norco, California site is subject to a consent decree, entered in October 2003, between the company, Wyle Laboratories, and the California Department of Toxic Substance Control. In addition, the company was named as a defendant in several lawsuits related to the Norco facility and a third site in El Segundo, California which have now been settled to the satisfaction of the parties.

In October 2005, the company filed suit against E.ON in the Frankfurt am Main Regional Court in Germany. The suit sought indemnification, contribution, and a declaration of the parties' respective rights and obligations in connection with environmental clean-up costs associated with the Huntsville and Norco sites and certain related litigation and other costs. The litigation was suspended in December 2009 while the parties engaged in a court-facilitated mediation and settlement discussions. As part of the mediation, E.ON filed a counter claim against the company for certain income tax-related liabilities.

During the fourth quarter of 2012, the company entered into a settlement agreement with E.ON and VEBA pursuant to which E.ON paid the company $110 million and the company released E.ON and VEBA from their indemnification obligation for costs associated with environmental remediation and related litigation in connection with the company's acquisition of Wyle in August 2000. The settlement agreement also resolved claims for certain income tax related liabilities with respect to the Wyle acquisition. In connection with this settlement, the company has initially recorded a gain on the settlement of legal matters of $79.2 million ($48.6 million net of related taxes or $.45 and $.44 per share on a basic and diluted basis, respectively) representing the difference between the settlement amount and the amount receivable from E.ON for reimbursement of costs incurred to date by the company. As part of the settlement agreement the company accepted responsibility for any potential subsequent costs incurred related to the Wyle matters.

The company expects these environmental liabilities to be resolved over an extended period of time. Costs are recorded for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Accruals for environmental liabilities are adjusted periodically as facts and circumstances change, assessment and remediation efforts progress, or as additional technical or legal information becomes available. Environmental liabilities are difficult to assess and estimate due to various unknown factors such as the timing and extent of remediation, improvements in remediation technologies, and the extent to which environmental laws and regulations may change in the future. Accordingly the company cannot presently fully estimate the ultimate potential costs related to these sites until such time as a substantial portion of the investigation at the sites is completed and remedial action plans are developed and, in some instances implemented. To the extent that future environmental costs exceed amounts currently accrued by the company, net income would be adversely impacted and such impact could be material.

The company believes the settlement amount together with potential recoveries from various insurance policies covering environmental remediation and related litigation will be sufficient to cover any potential future costs related to the Wyle acquisition; however, it is possible unexpected costs beyond those anticipated could occur.

As part of the company's settlement agreement with E.ON and VEBA, the company retains the right to various Wyle insurance policies that covered liabilities arising out of operations at Norco and Huntsville and any future amounts recovered. The company has sued certain umbrella liability policy carriers because they have yet to make payment on claims filed by the company. These disputes generally relate to the umbrella liability policy carriers' proportional share of the total liability as opposed to the applicability of coverage. The resolution of these matters could likely take several years. With the exception of $4.4 million for which a settlement was reached and the company is expecting payment in the first quarter of 2013, the company has not recorded a receivable for any potential future insurance recoveries related to the Norco and Huntsville environmental matters, as the realization of the claims for recovery are not deemed probable due to the on-going litigation.

Tekelec Matter

In 2000, the company purchased Tekelec Europe SA ("Tekelec") from Tekelec Airtronic SA and certain other selling shareholders. Subsequent to the closing of the acquisition, Tekelec received a product liability claim in the amount of € 11.3 million. The product liability claim was the subject of a French legal proceeding started by the claimant in 2002, under which separate determinations were made as to whether the products that are subject to the claim were defective and the amount of damages sustained by the purchaser. The manufacturer of the products also participated in this proceeding. The claimant has commenced legal proceedings against Tekelec and its insurers to recover damages in the amount of € 3.7 million and expenses of €.3 million plus interest. In May 2012, the French court ruled in favor of Tekelec and dismissed the plaintiff's claims. However, that decision has been appealed by the plaintiff. The company believes that any amount in addition to the amount accrued by the company would not materially adversely impact the company's consolidated financial position, liquidity, or results of operations.

Other

From time to time, in the normal course of business, the company may become liable with respect to other pending and threatened litigation, environmental, regulatory, labor, product, and tax matters. While such matters are subject to inherent uncertainties, it is not currently anticipated that any such matters will materially impact the company's consolidated financial position, liquidity, or results of operations.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities .

Market Information

The company's common stock is listed on the NYSE (trading symbol: "ARW"). The high and low sales prices during each quarter of 2012 and 2011 are as follows:

Year	High	Low
2012:		
Fourth Quarter	$ 39.18	$ 31.31
Third Quarter	38.25	30.84
Second Quarter	43.02	31.46
First Quarter	43.39	35.77
2011:		
Fourth Quarter	$ 38.66	$ 25.71
Third Quarter	42.14	27.39
Second Quarter	47.50	36.21
First Quarter	42.90	34.08

Holders

On February 4, 2013, there were approximately 2,000 shareholders of record of the company's common stock.

Dividend History

The company did not pay cash dividends on its common stock during 2012 or 2011. While from time to time the Board of Directors considers the payment of dividends on the common stock, the declaration of future dividends is dependent upon the company's earnings, financial condition, and other relevant factors, including debt covenants.

Equity Compensation Plan Information

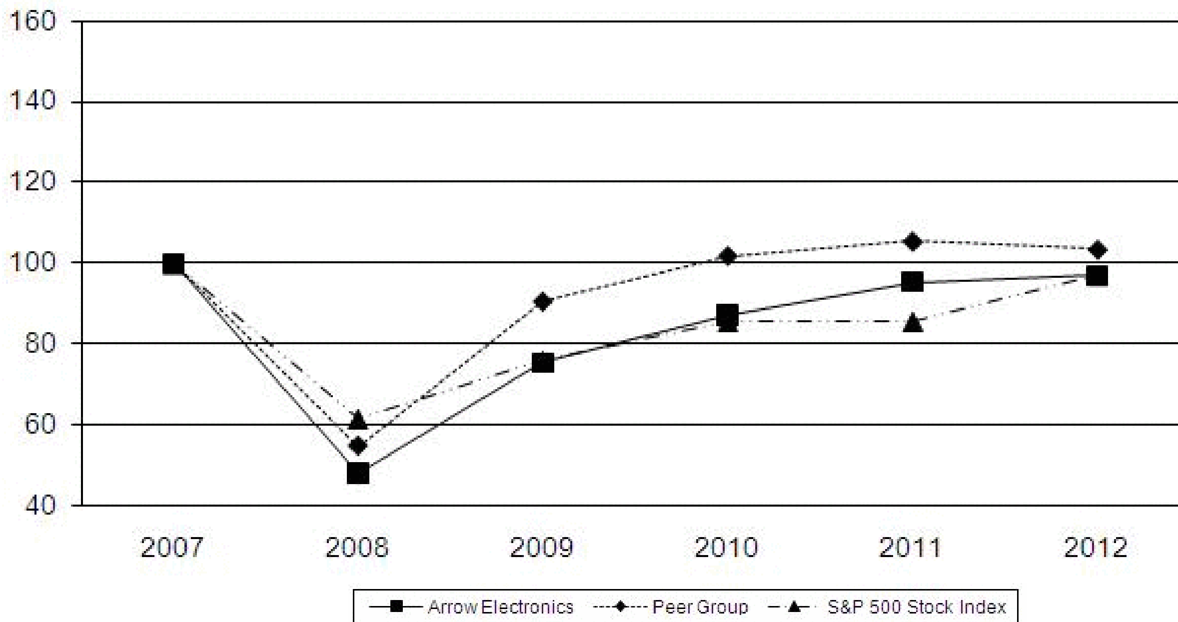
The following table summarizes information, as of December 31, 2012, relating to the Omnibus Incentive Plan, which was approved by the company's shareholders and under which cash-based awards, non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance share units, covered employee annual incentive awards, and other stock-based awards may be granted.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance
Equity compensation plans approved by security holders	5,934,688	$ 32.94	5,982,119
Equity compensation plans not approved by security holders	—	—	—
Total	5,934,688	$ 32.94	5,982,119

Performance Graph

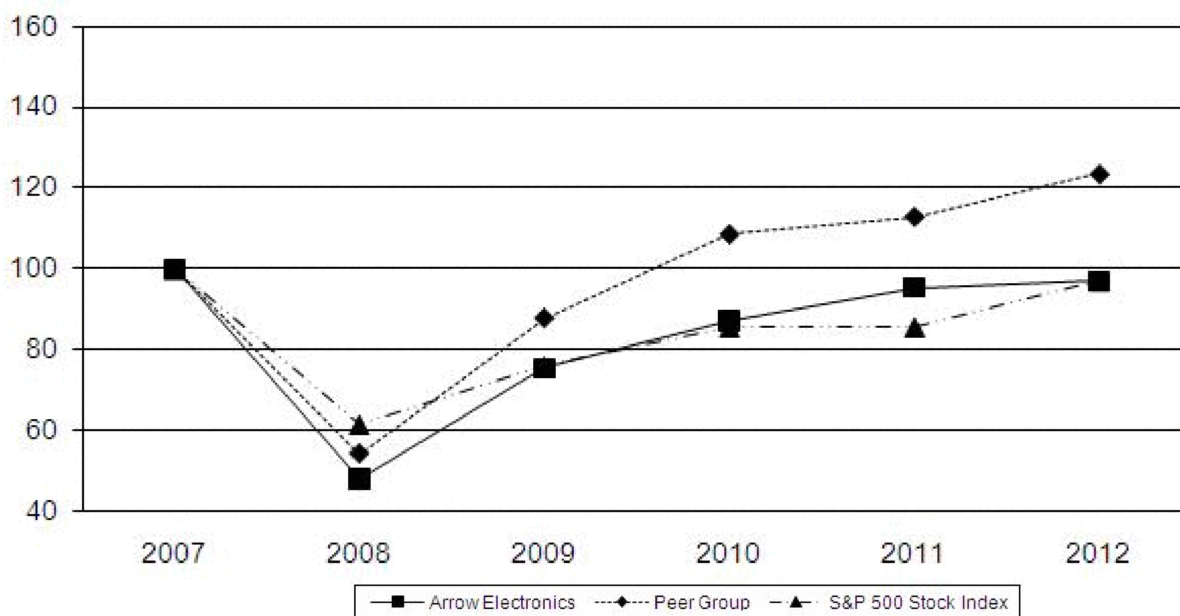
The following graphs compare the performance of the company's common stock for the periods indicated with the performance of the Standard & Poor's 500 Stock Index ("S&P 500 Stock Index") and the average performance of a group consisting of the company's peer companies on a line-of-business basis. The graph assumes $100 invested on December 31, 2007 in the company, the S&P 500 Stock Index, and the peer group. Total return indices reflect reinvestment of dividends and are weighted on the basis of market capitalization at the time of each reported data point. During 2012, the company removed WESCO International, Inc. from its peer group to better align the peer group with the company's business demographics and markets served.

The companies included in the below graph for the new peer group are Anixter International Inc., Avnet, Inc., Celestica Inc., Flextronics International Ltd., Ingram Micro Inc., Jabil Circuit, Inc., and Tech Data Corporation.



	2007	2008	2009	2010	2011	2012
Arrow Electronics	100	48	75	87	95	97
Peer Group	100	55	91	102	105	103
S&P 500 Stock Index	100	62	76	86	86	97

The companies included in the below graph for the old peer group are Anixter International Inc., Avnet, Inc., Celestica Inc., Flextronics International Ltd., Ingram Micro Inc., Jabil Circuit, Inc., Tech Data Corporation, and WESCO International, Inc.



	2007	2008	2009	2010	2011	2012
Arrow Electronics	100	48	75	87	95	97
Peer Group	100	54	88	109	113	123
S&P 500 Stock Index	100	62	76	86	86	97

Issuer Purchases of Equity Securities

In June 2012, the company's Board of Directors approved the repurchase of up to $200 million of the company's common stock through a share-repurchase program (the "Share-Repurchase Program").

The following table shows the share-repurchase activity for the quarter ended December 31, 2012:

Month	Total Number of Shares Purchased(a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program(b)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program
September 30 through October 31, 2012	719,441	$ 34.49	719,350	$ 99,446,917
November 1 through 30, 2012	48,900	35.55	47,537	97,759,306
December 1 through 31, 2012	5,145	37.38	1,200	97,714,901
Total	773,486		768,087	

(a) Includes share repurchases under the Share-Repurchase Program and those associated with shares withheld from employees for stock-based awards, as permitted by the Omnibus Incentive Plan, in order to satisfy the required tax withholding obligations.

(b) The difference between the "total number of shares purchased" and the "total number of shares purchased as part of publicly announced program" for the quarter ended December 31, 2012 is 5,399 shares, which relate to shares withheld from employees for stock-based awards, as permitted by the Omnibus Incentive Plan, in order to satisfy the required tax withholding obligations. The purchase of these shares were not made pursuant to any publicly announced repurchase plan.

Item 6. Selected Financial Data.

The following table sets forth certain selected consolidated financial data and must be read in conjunction with the company's consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K (dollars in thousands except per share data):

For the years ended December 31:	2012 (a)	2011 (b)	2010 (c)	2009 (d)	2008 (e)
Sales	$ 20,405,128	$ 21,390,264	$ 18,744,676	$ 14,684,101	$ 16,761,009
Operating income (loss)	$ 804,123	$ 908,843	$ 750,775	$ 272,787	$ (493,569)
Net income (loss) attributable to shareholders	$ 506,332	$ 598,810	$ 479,630	$ 123,512	$ (613,739)
Net income (loss) per share:					
Basic	$ 4.64	$ 5.25	$ 4.06	$ 1.03	$ (5.08)
Diluted	$ 4.56	$ 5.17	$ 4.01	$ 1.03	$ (5.08)
At December 31:					
Accounts receivable and inventories	$ 6,976,618	$ 6,446,027	$ 6,011,823	$ 4,533,809	$ 4,713,849
Total assets	10,785,687	9,829,079	9,600,538	7,762,366	7,118,285
Long-term debt	1,587,478	1,927,823	1,761,203	1,276,138	1,223,985
Shareholders' equity	3,983,222	3,668,812	3,251,195	2,916,960	2,676,698

(a) Operating income and net income attributable to shareholders include restructuring, integration, and other charges of $47.4 million ($30.7 million net of related taxes or $.28 per share on both a basic and diluted basis) and a gain of $79.2 million ($48.6 million net of related taxes or $.45 and $.44 per share on a basic and diluted basis, respectively) related to the settlement of a legal matter.

(b) Operating income and net income attributable to shareholders include restructuring, integration, and other charges of $ 37.8 million ($28.1 million net of related taxes or $.25 and $.24 per share on a basic and diluted basis, respectively) and a charge of $5.9 million ($3.6 million net of related taxes or $.03 per share on both a basic and diluted basis) related to the settlement of a legal matter. Net income attributable to shareholders also includes a gain on bargain purchase of $1.1 million ($.7 million net of related taxes or $.01 per share on both a basic and diluted basis), a loss on prepayment of debt of $.9 million ($.5 million net of related taxes), and a net reduction in the provision for income taxes of $28.9 million ($.25 per share on both a basic and diluted basis) principally due to a reversal of a valuation allowance on certain deferred tax assets.

(c) Operating income and net income attributable to shareholders include restructuring, integration, and other charges of $33.5 million ($24.6 million net of related taxes or $.21 per share on both a basic and diluted basis). Net income attributable to shareholders also includes a loss on prepayment of debt of $1.6 million ($1.0 million net of related taxes or $.01 per share on both a basic and diluted basis), as well as a net reduction in the provision for income taxes of $9.4 million ($.08 per share on both a basic and diluted basis) and a reduction in interest expense of $3.8 million ($2.3 million net of related taxes or $.02 per share on both a basic and diluted basis) primarily related to the settlement of certain income tax matters covering multiple years.

(d) Operating income and net income attributable to shareholders include restructuring, integration, and other charges of $105.5 million ($75.7 million net of related taxes or $.63 per share on both a basic and diluted basis). Net income attributable to shareholders also includes a loss on prepayment of debt of $5.3 million ($3.2 million net of related taxes or $.03 per share on both a basic and diluted basis).

(e) Operating loss and net loss attributable to shareholders include a non-cash impairment charge associated with goodwill of $1.02 billion ($905.1 million net of related taxes or $7.49 per share on both a basic and diluted basis) and restructuring, integration, and other charges of $81.0 million ($61.9 million net of related taxes or $.51 per share on both a basic and diluted basis). Net loss attributable to shareholders also includes a loss of $10.0 million ($.08 per share on both a basic and diluted basis) on the write-down of an investment, as well as a reduction in the provision for income taxes of $8.5 million ($.07 per share on both a basic and diluted basis) and an increase in interest expense of $1.0 million ($1.0 million

net of related taxes or $.01 per share on both a basic and diluted basis) primarily related to the settlement of certain income tax matters covering multiple years.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations .

Overview

The company is a global provider of products, services, and solutions to industrial and commercial users of electronic components and enterprise computing solutions. The company provides one of the broadest product offerings in the electronic components and enterprise computing solutions distribution industries and a wide range of value-added services to help customers introduce innovative products, reduce their time to market, and enhance their overall competitiveness. The company has two business segments, the global components business segment and the global ECS business segment. The company distributes electronic components to OEMs and CMs through its global components business segment and provides enterprise computing solutions to VARs through its global ECS business segment. For 2012, approximately 65% of the company's sales were from the global components business segment, and approximately 35% of the company's sales were from the global ECS business segment.

The company's financial objectives are to grow sales faster than the market, increase the markets served, grow profits faster than sales, and increase return on invested capital. To achieve its objectives, the company seeks to capture significant opportunities to grow across products, markets, and geographies. To supplement its organic growth strategy, the company continually evaluates strategic acquisitions to broaden its product and value-added service offerings, increase its market penetration, and/or expand its geographic reach.

During 2012, the company completed seven acquisitions. The impact of these acquisitions was not material, individually or in the aggregate, to the company's consolidated financial position and results of operations.

On March 1, 2011, the company acquired all of the assets and operations of the RF, Wireless and Power Division of Richardson Electronics, Ltd. ("Richardson RFPD") for a purchase price of $236.0 million. On January 3, 2011, the company acquired Nu Horizons Electronics Corp. ("Nu Horizons") for a purchase price of $161.1 million, which included cash acquired of $18.1 million and $26.4 million of debt paid at closing. During 2011, the company completed six additional acquisitions. The impact of these acquisitions was not individually significant to the company's consolidated financial position and results of operations.

On December 16, 2010, the company acquired all of the assets and operations of INT Holdings, LLC, doing business as Intechra ("Intechra"), for a purchase price of $101.1 million, which included $.1 million of cash acquired. On September 8, 2010, the company acquired Shared Technologies Inc. ("Shared") for a purchase price of $252.8 million, which included $61.9 million of debt paid at closing. On June 1, 2010, the company acquired PCG Parent Corp., doing business as Converge ("Converge") for a purchase price of $138.4 million, which included cash acquired of $4.8 million and $27.5 million of debt paid at closing. During 2010, the company completed five additional acquisitions. The impact of these acquisitions was not individually significant to the company's consolidated financial position and results of operations.

During the third quarter of 2012, the company prospectively revised its presentation of sales related to certain fulfillment contracts to present these revenues on an agency basis as net fees (the "prospective presentation of sales"), as compared to presenting gross sales and costs of sales in prior periods. On a gross basis, these contracts would have contributed approximately $324.4 million to the company's sales in the second half of 2012, which negatively impacted the full year consolidated sales growth comparison by approximately 1.5%. This revised presentation had no impact on the company's consolidated balance sheet or statement of cash flows. Within the consolidated statement of operations, this revised presentation had no impact on gross profit dollars, operating income dollars, net income dollars, or earnings per share for any periods reported, but positively impacted the gross profit margin and operating income margin by approximately 20 and 10 basis points, respectively, in 2012. Additionally, returns on capital, which are key metrics used to evaluate the company's performance, were also not impacted by this prospective revision.

Consolidated sales for 2012 decreased by 4.6%, compared with the year-earlier period, due to a 10.0% decrease in the global components business segment sales, offset, in part, by a 7.8% increase in the global ECS business segment sales. The translation of the company's international financial statements into U.S. dollars resulted in a decrease in consolidated sales of 2.2% for 2012, compared with the year-earlier period, due to a stronger U.S. dollar. Pro forma for acquisitions and excluding the impact of foreign currency and the aforementioned prospective presentation of sales, the company's consolidated sales decreased by 2.6% in 2012.

Net income attributable to shareholders decreased to $506.3 million in 2012, compared with net income attributable to shareholders of $598.8 million in the year-earlier period. The following items impacted the comparability of the company's results for the years ended December 31, 2012 and 2011:

- restructuring, integration, and other charges of $47.4 million ($30.7 million net of related taxes) in 2012 and $37.8 million ($28.1 million net of related taxes) in 2011;

- a gain of $79.2 million ($48.6 million net of related taxes) and a charge of $5.9 million ($3.6 million net of related taxes) related to the settlement of legal matters in 2012 and 2011, respectively;
- a gain on bargain purchase of $1.1 million ($.7 million net of related taxes) in 2011;
- a loss on prepayment of debt of $.9 million ($.5 million net of related taxes) in 2011; and
- a net reduction in the provision for income taxes of $28.9 million principally due to a reversal of a valuation allowance on certain deferred tax assets in 2011.

Excluding the aforementioned items, the decrease in net income attributable to shareholders for 2012 was primarily the result of a decrease in sales and a corresponding decrease in gross profit. Additionally, gross profit margins were negatively impacted principally due to increased competitive pricing pressure in both the company's business segments and, to a lessor extent, a change in mix of products. These decreases were offset, in part, by a reduction in selling, general, and administrative expenses due to the company's efforts to streamline and simplify processes and to reduce expenses in response to the decline in sales.

Substantially all of the company's sales are made on an order-by-order basis, rather than through long-term sales contracts. As such, the nature of the company's business does not provide for the visibility of material forward-looking information from its customers and suppliers beyond a few months.

Sales

Following is an analysis of net sales (in millions) by reportable segment for the years ended December 31:

	2012	2011	% Change
Global components	$ 13,361	$ 14,854	(10.0)%
Global ECS	7,044	6,536	7.8 %
Consolidated	$ 20,405	$ 21,390	(4.6)%

Consolidated sales for 2012 decreased by $985.1 million, or 4.6%, compared with the year-earlier period. The decrease in 2012 was driven by a decrease in global components business segment sales of $1.49 billion, or 10.0%, offset, in part, by an increase in global ECS business segment sales of $507.6 million, or 7.8%, compared with the year-earlier period. The aforementioned prospective presentation of sales negatively impacted the sales growth in 2012 by approximately 1.5%. The translation of the company's international financial statements into U.S. dollars resulted in a decrease in consolidated sales of 2.2% in 2012, compared with the year-earlier period, due to a stronger U.S. dollar. Pro forma for acquisitions and excluding the impact of foreign currency and the aforementioned prospective presentation of sales, the company's consolidated sales decreased by 2.6% in 2012, compared with the year-earlier period, principally due to a decline in the global components business segment.

In the global components business segment, sales for 2012 decreased 10.0% compared with the year-earlier period primarily due to a decline in demand for products due to weaker economic conditions in the Americas, EMEA, and Asia Pacific regions and by the impact of a stronger U.S. dollar on the translation of the company's international financial statements offset, in part, by the impact of recently acquired businesses. The aforementioned prospective presentation of sales also negatively impacted the sales growth in 2012 by approximately 2.2%. Pro forma for acquisitions and excluding the impact of foreign currency and the aforementioned prospective presentation of sales, the company's global components business segment sales decreased by 6.8% in 2012, compared with the year-earlier period.

In the global ECS business segment, sales for 2012 increased 7.8% due to higher demand for products in both North America and the EMEA region. The increase in sales for 2012 was driven by growth in services, storage, and software offset, in part, by a decline in servers. Pro forma for acquisitions and excluding the impact of foreign currency, the company's global ECS business segment sales increased by 6.1% for 2012, compared with the year-earlier period.

Following is an analysis of net sales (in millions) by reportable segment for the years ended December 31:

	2011	2010	% Change
Global components	$ 14,854	$ 13,169	12.8%
Global ECS	6,536	5,576	17.2%
Consolidated	$ 21,390	$ 18,745	14.1%

Consolidated sales for 2011 increased by $2.65 billion, or 14.1%, compared with the year-earlier period. The increase in 2011 was driven by an increase in global components business segment sales of $1.69 billion, or 12.8%, and an increase in global ECS

business segment sales of $960.1 million, or 17.2%, compared with the year-earlier period. The translation of the company's international financial statements into U.S. dollars resulted in an increase in consolidated sales of 2.6% in 2011, compared with the year-earlier period, due to a weaker U.S. dollar. Pro forma for acquisitions and excluding the impact of foreign currency, the company's consolidated sales increased by 2.0% in 2011.

The growth in the global components business segment for 2011 of 12.8% was primarily driven by increased demand for the company's products in the EMEA and Americas regions, as well as the impact of acquisitions. Pro forma for acquisitions, the sales increase for 2011 in EMEA and the Americas was 15.5% and 3.0%, respectively, offset by a sales decrease in the Asia Pacific region of 10.0%. The decline in sales in Asia Pacific was primarily due to weakness in low-end mobile handset components offset, in part, by increased demand in the vertical markets led by lighting and transportation. Pro forma for acquisitions and excluding the impact of foreign currency, the company's global components business segment sales remained flat in 2011, compared with the year-earlier period.

In the global ECS business segment, sales for 2011 increased 17.2% due to higher demand for products in both North America and EMEA. The increase in sales for 2011 was due to growth in storage, software, services, industry standard servers, and proprietary servers. Pro forma for acquisitions and excluding the impact of foreign currency, the company's global ECS business segment sales increased by 6.9% for 2011, compared with the year-earlier period.

Gross Profit

The company recorded gross profit of $2.74 billion and $2.95 billion for 2012 and 2011, respectively. The decrease in gross profit was primarily due to the aforementioned 4.6% decrease in sales during 2012. Gross profit margins for 2012 decreased by approximately 40 basis points, compared with the year-earlier period. The aforementioned prospective presentation of sales had no impact on gross profit dollars but positively impacted the gross profit margin percentage by approximately 20 basis points for 2012. Pro forma for acquisitions and excluding the impact of foreign currency and the aforementioned prospective presentation of sales, gross profit margin decreased approximately 90 basis points for 2012, principally due to increased competitive pricing pressure in both the company's business segments and, to a lessor extent, a change in the mix of products.

The company recorded gross profit of $2.95 billion and $2.42 billion for 2011 and 2010, respectively. The increase in gross profit was primarily due to the aforementioned 14.1% increase in sales during 2011 and an increase in the gross profit margin of approximately 90 basis points, compared with the year-earlier period, primarily due to higher margins attributable to recent acquisitions, improved pricing, and a favorable mix towards higher profit margin products in both the global components and global ECS businesses. Pro forma for acquisitions and excluding the impact of foreign currency, gross profit margin increased approximately 20 basis points for 2011, compared with the year-earlier period.

Selling, General, and Administrative Expenses and Depreciation and Amortization

Selling, general, and administrative expenses decreased $43.1 million, or 2.3%, in 2012, on a sales decrease of 4.6%, compared with the year-earlier period. Selling, general, and administrative expenses, as a percentage of sales, was 9.1% and 8.8% for 2012 and 2011, respectively. The dollar decrease in selling, general, and administrative expenses was primarily due to the company's efforts to streamline and simplify processes and to reduce expenses in response to the decline in sales. This was offset, in part, by selling, general, and administrative expenses for certain recent acquisitions which have a higher operating cost structure relative to the company's other businesses which is offset by higher gross profit margins for those businesses. The effect of acquisitions on selling, general, and administrative expenses for the year ended December 31, 2012 was an increase of approximately $60 million.

Depreciation and amortization expense for 2012 increased by $11.9 million, or 11.5%, compared with the year-earlier period, primarily due to increased depreciation associated with the company's ERP initiative and increased depreciation and amortization associated with acquisitions.

Pro forma for acquisitions and excluding the impact of foreign currency and the aforementioned prospective presentation of sales, operating expenses (which include both selling, general, and administrative expenses and depreciation and amortization expense) for the year ended December 31, 2012 decreased 3.6% on a sales decrease of 2.6% in 2012, compared with 2011, due to the company's ability to efficiently manage operating costs.

Selling, general, and administrative expenses increased $335.6 million, or 21.6%, in 2011, on a sales increase of 14.1%, compared with the year-earlier period. Selling, general, and administrative expenses, as a percentage of sales, was 8.8% and 8.3%, for 2011 and 2010, respectively. The increase in selling, general, and administrative expenses in excess of the sales increase was driven by certain recent acquisitions which have a higher operating cost structure relative to the company's other businesses and was

offset by higher profit margins for those businesses. The effect of acquisitions on selling, general, and administrative expenses for the year ended December 31, 2011 was an increase of approximately $285 million.

Depreciation and amortization expense for 2011 increased by $26.1 million, or 33.8%, compared with the year-earlier period, primarily due to acquisitions.

Pro forma for acquisitions and excluding the impact of foreign currency, operating expenses remained flat on a sales increase of 2.0% in 2011, compared with 2010, due to the company's ability to efficiently manage operating costs.

Restructuring, Integration, and Other Charges

2012 Charges

In 2012, the company recorded restructuring, integration, and other charges of $47.4 million ($30.7 million net of related taxes or $.28 per share on both a basic and diluted basis). Included in the restructuring, integration, and other charges for 2012 is a restructuring charge of $43.3 million related to initiatives taken by the company to improve operating efficiencies. Also included in the restructuring, integration, and other charges for 2012 is a charge of $1.4 million related to restructuring and integration actions taken in prior periods and acquisition-related expenses of $2.7 million.

The restructuring charge of $43.3 million in 2012 primarily includes personnel costs of $31.3 million, facilities costs of $5.4 million, and asset write-downs of $6.6 million. The personnel costs are related to the elimination of approximately 505 positions within the global components business segment and approximately 360 positions within the global ECS business segment. The facilities costs are related to exit activities for 14 vacated facilities worldwide due to the company's continued efforts to streamline its operations and reduce real estate costs. The asset write-downs resulted from the company's decision to exit certain business activities which caused these assets to become redundant and have no future benefit. These restructuring initiatives are due to the company's continued efforts to lower cost and drive operational efficiency.

2011 Charges

In 2011, the company recorded restructuring, integration, and other charges of $37.8 million ($28.1 million net of related taxes or $.25 and $.24 per share on a basic and diluted basis, respectively). Included in the restructuring, integration, and other charges for 2011 is a restructuring charge of $23.8 million related to initiatives taken by the company to improve operating efficiencies, primarily due to the integration of recently acquired businesses. Also included in the restructuring, integration, and other charges for 2011 is a credit of $.7 million related to restructuring and integration actions taken in prior periods and acquisition-related expenses of $14.7 million.

The restructuring charge of $23.8 million in 2011 primarily includes personnel costs of $17.5 million and facilities costs of $5.4 million. The personnel costs are related to the elimination of approximately 280 positions within the global components business segment and approximately 240 positions within the global ECS business segment. The facilities costs are related to exit activities for 18 vacated facilities in the Americas and EMEA due to the company's continued efforts to streamline its operations and reduce real estate costs. These restructuring initiatives are due to the company's continued efforts to lower cost and drive operational efficiency.

2010 Charges

In 2010, the company recorded restructuring, integration, and other charges of $33.5 million ($24.6 million net of related taxes or $.21 per share on both a basic and diluted basis). Included in the restructuring, integration, and other charges for 2010 is a restructuring charge of $21.6 million related to initiatives taken by the company to improve operating efficiencies. Also included in the restructuring, integration, and other charges for 2010 are charges of $.6 million related to restructuring and integration actions taken in prior periods and acquisition-related expenses of $12.4 million.

The restructuring charge of $21.6 million in 2010 primarily includes personnel costs of $14.7 million and facilities costs of $2.3 million. The personnel costs are related to the elimination of approximately 180 positions within the global ECS business segment and approximately 100 positions within the global components business segment. The facilities costs are related to exit activities for 7 vacated facilities in the Americas and EMEA due to the company's continued efforts to streamline its operations and reduce real estate costs. These restructuring initiatives are due to the company's continued efforts to lower cost and drive operational efficiency.

As of December 31, 2012, the company does not anticipate there will be any material adjustments relating to the aforementioned restructuring plans. Refer to Note 9, "Restructuring, Integration, and Other Charges," of the Notes to the Consolidated Financial Statements for further discussion of the company's restructuring and integration activities.

Settlement of Legal Matters

2012

During the fourth quarter of 2012, the company entered into a settlement agreement with E.ON and VEBA pursuant to which E.ON paid the company $110.0 million and the company released E.ON and VEBA from their indemnification obligation for costs associated with environmental remediation and related litigation in connection with the company's acquisition of Wyle in August 2000. The settlement agreement also resolved claims for certain income tax related liabilities with respect to the Wyle acquisition. In connection with this settlement, the company has initially recorded a gain on the settlement of legal matters of $79.2 million ($48.6 million net of related taxes or $.45 and $.44 per share on a basic and diluted basis, respectively) representing the difference between the settlement amount and the amount receivable from E.ON for reimbursement of costs incurred to date by the company. As part of the settlement agreement the company accepted responsibility for any potential subsequent costs incurred related to the Wyle matters.

The company expects these environmental liabilities to be resolved over an extended period of time. Costs are recorded for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Accruals for environmental liabilities are adjusted periodically as facts and circumstances change, assessment and remediation efforts progress, or as additional technical or legal information becomes available. Environmental liabilities are difficult to assess and estimate due to various unknown factors such as the timing and extent of remediation, improvements in remediation technologies, and the extent to which environmental laws and regulations may change in the future. Accordingly the company cannot presently fully estimate the ultimate potential costs related to these sites until such time as a substantial portion of the investigation at the sites is completed and remedial action plans are developed and, in some instances implemented. To the extent that future environmental costs exceed amounts currently accrued by the company, net income would be adversely impacted and such impact could be material.

The company believes the settlement amount together with potential recoveries from various insurance policies covering environmental remediation and related litigation will be sufficient to cover any potential future costs related to the Wyle acquisition; however, it is possible unexpected costs beyond those anticipated could occur.

Refer to Note 15, "Contingencies," of the Notes to the Consolidated Financial Statements for further discussion of the settlement and on-going environmental remediation.

2011

During 2011, the company recorded a charge of $5.9 million ($3.6 million net of related taxes or $.03 per share on both a basic and diluted basis) in connection with the settlement of a legal matter, inclusive of related legal costs. This matter related to a customer dispute that originated in 1997. The company had successfully defended itself in a trial, but the verdict was subsequently overturned, in part, by an appellate court and remanded for a new trial. The company ultimately decided to settle this matter to avoid further legal expense and the burden on management's time that such a trial would entail.

Operating Income

The company recorded operating income of $804.1 million, or 3.9% of sales, in 2012 compared with operating income of $908.8 million, or 4.2% of sales, in 2011. Included in operating income for 2012 and 2011 were the previously discussed restructuring, integration, and other charges of $47.4 million and $37.8 million, respectively. Also included in operating income was the previously discussed gain of $79.2 million in 2012 and charge of $5.9 million in 2011 related to the settlement of legal matters.

The company recorded operating income of $908.8 million, or 4.2% of sales, in 2011 compared with operating income of $750.8 million, or 4.0% of sales, in 2010. Included in operating income for 2011 and 2010 were the previously discussed restructuring, integration, and other charges of $37.8 million and $33.5 million, respectively. Also included in operating income for 2011 was the previously discussed charge of $5.9 million related to the settlement of a legal matter.

Interest and Other Financing Expense, Net

Net interest and other financing expense decreased by 3.9% in 2012 to $101.9 million, compared with $106.0 million in 2011, due to lower interest rates on the company's variable rate bank debt.

Net interest and other financing expense increased by 38.4% in 2011 to $106.0 million, compared with $76.6 million in 2010, due to higher average debt outstanding primarily to fund acquisitions.

Other

During 2011, the company acquired Nu Horizons for less than the fair value of its net assets due to Nu Horizons' stock trading below its book value for an extended period of time prior to the announcement of the acquisition. The company offered a purchase price per share for Nu Horizons that was above the prevailing stock price thereby representing a premium to the shareholders. The acquisition of Nu Horizons by Arrow was approved by Nu Horizons' shareholders. The excess of the fair value of the net assets acquired over the purchase price paid of $1.1 million ($.7 million net of related taxes or $.01 per share on both a basic and diluted basis) was recognized as a gain on bargain purchase. During 2011, the company also recorded a loss on prepayment of debt of $.9 million ($.5 million net of related taxes), related to the repurchase of $17.9 million principal amount of its 6.875% senior notes due in 2013.

During 2010, the company recorded a loss on prepayment of debt of $1.6 million ($1.0 million net of related taxes or $.01 per share on both a basic and diluted basis), related to a property the company sold and was required to pay the related collateralized debt with a face amount of $9.0 million. The loss on prepayment of debt was offset by a gain on the sale of this property of $1.7 million, which is included in restructuring, integration, and other charges in 2010.

Income Taxes

The company recorded a provision for income taxes of $203.6 million (an effective tax rate of 28.7%) for 2012. The company's provision and effective tax rate for 2012 were impacted by the previously discussed restructuring, integration, and other charges, and gain related to the settlement of a legal matter. Excluding the impact of the aforementioned items, the company's effective tax rate was 28.0% for 2012.

The company recorded a provision for income taxes of $210.5 million (an effective tax rate of 26.0%) for 2011. During 2011, the company recorded a net reduction in the provision for income taxes of $28.9 million ($.25 per share on both a basic and diluted basis) principally due to a reversal of a valuation allowance on certain deferred tax assets as a result of a realignment of the company's international business operations. The company's provision and effective tax rate for 2011 were impacted by the previously discussed reversal of a valuation allowance on certain deferred tax assets, restructuring, integration, and other charges, charge related to the settlement of a legal matter, a loss on prepayment of debt, and a gain on bargain purchase. Excluding the impact of the aforementioned items, the company's effective tax rate was 29.5% for 2011.

The company recorded a provision for income taxes of $199.4 million (an effective tax rate of 29.4%) for 2010. During 2010, the company recorded a net reduction in the provision of $9.4 million ($.08 per share on both a basic and diluted basis) primarily related to the settlement of certain tax matters covering multiple tax years. The company's provision and effective tax rate for 2010 were impacted by the previously discussed settlement of certain income tax matters, restructuring, integration, and other charges, and a loss on prepayment of debt. Excluding the impact of the aforementioned items, the company's effective tax rate was 30.5% for 2010.

The company's provision for income taxes and effective tax rate are impacted by, among other factors, the statutory tax rates in the countries in which it operates and the related level of income generated by these operations.

Net Income Attributable to Shareholders

The company recorded net income attributable to shareholders of $506.3 million for 2012, compared with net income attributable to shareholders of $598.8 million in the year-earlier period. Included in net income attributable to shareholders for 2012 were the previously discussed restructuring, integration, and other charges of $30.7 million and a gain of $48.6 million related to the settlement of a legal matter. Included in net income attributable to shareholders for 2011 were the previously discussed restructuring, integration, and other charges of $28.1 million, a charge of $3.6 million related to the settlement of a legal matter, a gain on bargain purchase of $.7 million, a loss on prepayment of debt of $.5 million, and a net reduction in the provision for income taxes of $28.9 million principally due to a reversal of a valuation allowance on certain deferred tax assets. Excluding the aforementioned items, the decrease in net income attributable to shareholders for 2012 was primarily the result of a decrease in

sales and a corresponding decrease in gross profit. Additionally, gross profit margins were negatively impacted principally due to increased competitive pricing pressure in both the company's business segments and, to a lessor extent, a change in mix of products. These decreases were offset, in part, by a reduction in selling, general, and administrative expenses due to the company's efforts to streamline and simplify processes and to reduce expenses in response to the decline in sales.

The company recorded net income attributable to shareholders of $598.8 million for 2011, compared with net income attributable to shareholders of $479.6 million in the year-earlier period. Included in net income attributable to shareholders for 2011 were the previously discussed restructuring, integration, and other charges of $28.1 million, a charge of $3.6 million related to the settlement of a legal matter, a gain on bargain purchase of $.7 million, a loss on prepayment of debt of $.5 million, and a net reduction in the provision for income taxes of $28.9 million principally due to a reversal of a valuation allowance on certain deferred tax assets. Included in net income attributable to shareholders for 2010 were the previously discussed restructuring, integration, and other charges of $24.6 million and a loss on prepayment of debt of $1.0 million, as well as a net reduction in the provision for income taxes of $9.4 million and a reduction in interest expense, net of related taxes, of $2.3 million primarily related to the settlement of certain income tax matters covering multiple years. Excluding the aforementioned items, the increase in net income attributable to shareholders for 2011 was primarily the result of the sales increases in both the global components business segment and the global ECS business segment and increased gross profit margins. This was offset, in part, by increased selling, general, and administrative expenses primarily attributable to acquisitions and the increase in sales, increased interest expense due to higher average debt outstanding primarily to fund acquisitions, and increased depreciation and amortization expense due primarily to increased acquisition activity.

Liquidity and Capital Resources

At December 31, 2012 and 2011, the company had cash and cash equivalents of $409.7 million and $396.9 million, respectively, of which $359.0 million and $361.5 million, respectively, were held outside the United States. Liquidity is affected by many factors, some of which are based on normal ongoing operations of the company's business and some of which arise from fluctuations related to global economics and markets. Cash balances are generated and held in many locations throughout the world. It is the company's current intent to permanently reinvest these funds outside the United States and its current plans do not demonstrate a need to repatriate them to fund its United States operations. If these funds were to be needed for the company's operations in the United States it would be required to record and pay significant United States income taxes to repatriate these funds. Additionally, local government regulations may restrict the company's ability to move cash balances to meet cash needs under certain circumstances. The company currently does not expect such regulations and restrictions to impact its ability to make acquisitions or to pay vendors and conduct operations throughout the global organization.

During 2012, the net amount of cash provided by the company's operating activities was $675.0 million, the net amount of cash used for investing activities was $409.1 million, and the net amount of cash used for financing activities was $257.7 million. The effect of exchange rate changes on cash was an increase of $4.6 million.

During 2011, the net amount of cash provided by the company's operating activities was $120.9 million, the net amount of cash used for investing activities was $646.5 million, and the net amount of cash used for financing activities was $13.9 million. The effect of exchange rate changes on cash was an increase of $10.1 million.

During 2010, the net amount of cash provided by the company's operating activities was $220.8 million, the net amount of cash used for investing activities was $682.4 million, and the net amount of cash provided by financing activities was $270.9 million. The effect of exchange rate changes on cash was a decrease of $20.0 million.

Cash Flows from Operating Activities

The company maintains a significant investment in accounts receivable and inventories. As a percentage of total assets, accounts receivable and inventories were approximately 64.7% at December 31, 2012 and were approximately 65.6% at December 31, 2011.

The net amount of cash provided by the company's operating activities during 2012 was $675.0 million and was primarily due to earnings from operations, adjusted for non-cash items, and a decrease in net working capital due to a decline in sales.
The net amount of cash provided by the company's operating activities during 2011 was $120.9 million and was primarily due to earnings from operations, adjusted for non-cash items, offset in part, by an increase in net working capital to support an increase in sales.

The net amount of cash provided by the company's operating activities during 2010 was $220.8 million and was primarily due to earnings from operations, adjusted for non-cash items, offset in part, by an increase in net working capital to support an increase in sales.

Working capital, as a percentage of sales, was 15.7%, 14.9%, and 12.6% in 2012, 2011, and 2010, respectively.

Cash Flows from Investing Activities

The net amount of cash used for investing activities during 2012 was $409.1 million, primarily reflecting $281.9 million of cash consideration paid for acquired businesses, $112.2 million for capital expenditures, and $15.0 million related to the purchase of a cost method investment. Included in capital expenditures for 2012 is $65.6 million related to the company's global ERP initiative.

During 2012, the company completed seven acquisitions. The aggregate consideration for these seven acquisitions was $279.4 million, net of cash acquired and contingent consideration. In addition, the company made a payment of $2.5 million to increase its ownership in a majority-owned subsidiary.

The net amount of cash used for investing activities during 2011 was $646.5 million, primarily reflecting $532.6 million of cash consideration paid for acquired businesses and $113.9 million for capital expenditures. Included in capital expenditures for 2011 is $63.7 million related to the company's global ERP initiative.

During 2011, the company acquired Richardson RFPD, a leading value-added global component distributor and provider of engineered solutions serving the global radio frequency and wireless communications market and Nu Horizons, a leading global distributor of advanced technology semiconductor, display, illumination, and power solutions, for aggregate cash consideration of $379.0 million, net of cash acquired. During 2011, the company completed six additional acquisitions for aggregate cash consideration of $153.6 million, net of cash acquired.

The net amount of cash used for investing activities during 2010 was $682.4 million, primarily reflecting $587.1 million of cash consideration paid for acquired businesses and $112.3 million for capital expenditures, offset, in part, by proceeds from the sale of properties of $17.0 million. Included in capital expenditures for 2010 is $58.0 million related to the company's global ERP initiative.

During 2010, the company acquired Intechra, which provides fully customized EAD services to many Fortune 1000 customers throughout the world; Shared, a leading North American unified communications and managed services provider; and Converge, a global provider of reverse logistics services, for aggregate cash consideration of $487.4 million, net of cash acquired. During 2010, the company completed five additional acquisitions for aggregate cash consideration of $96.6 million, net of cash acquired. In addition, the company made a payment of $3.1 million to increase its ownership in a majority-owned subsidiary.

Cash Flows from Financing Activities

The net amount of cash used for financing activities during 2012 was $257.7 million. The uses of cash from financing activities included $260.9 million of repurchases of common stock, a $9.8 million decrease in short-term and other borrowings, and $5.4 million of repayments of long-term bank borrowings. The sources of cash from financing activities during 2012 were $13.4 million of proceeds from the exercise of stock options, and $5.0 million related to excess tax benefits from stock-based compensation arrangements.

The net amount of cash used for financing activities during 2011 was $13.9 million. The uses of cash from financing activities included a $200.0 million repayment of bank term loan, $197.0 million of repurchases of common stock, $19.3 million of repurchases of 6.875% senior notes, and a $6.2 million decrease in short-term and other borrowings. The sources of cash from financing activities were $354.0 million of proceeds from long-term bank borrowings, $46.7 million of proceeds from the exercise of stock options, and $8.0 million related to excess tax benefits from stock-based compensation arrangements.

During 2011, the company repurchased $17.9 million principal amount of its 6.875% senior notes due in 2013. The related loss on the repurchase aggregated $.9 million ($.5 million net of related taxes) and was recognized as a loss on prepayment of debt.

The net amount of cash provided by financing activities during 2010 was $270.9 million. The sources of cash from financing activities were $494.3 million of net proceeds from a note offering, a $9.8 million increase in short-term and other borrowings, $8.1 million of proceeds from the exercise of stock options, and $1.9 million related to excess tax benefits from stock-based compensation arrangements. The uses of cash from financing activities included $173.7 million of repurchases of common stock and a $69.5 million repayment of the company's 9.15% senior notes.

During 2010, the company completed the sale of $250.0 million principal amount of 3.375% notes due in 2015 and $250.0 million principal amount of 5.125% notes due in 2021. The net proceeds of the offering of $494.3 million were used for general corporate purposes.

The company has a $1.20 billion revolving credit facility, maturing in August 2016. This facility may be used by the company for general corporate purposes including working capital in the ordinary course of business, letters of credit, repayment, prepayment or purchase of long-term indebtedness and acquisitions, and as support for the company's commercial paper program, as applicable. Interest on borrowings under the revolving credit facility is calculated using a base rate or a euro currency rate plus a spread based on the company's credit ratings (1.275% at December 31, 2012), or an effective interest rate of 1.5% at December 31, 2012. The facility fee related to the revolving credit facility is .225%. The company had outstanding borrowings under the revolving credit facility of $123.6 million and $74.0 million at December 31, 2012 and 2011, respectively. During the years ended December 31, 2012 and 2011, the average daily balance outstanding under the revolving credit facility was $338.7 million and $287.9 million, respectively.

The company has a $775.0 million asset securitization program collateralized by accounts receivable of certain of its United States subsidiaries, maturing in December 2014. Interest on borrowings is calculated using a base rate or a commercial paper rate plus a spread, which is based on the company's credit ratings (.40% at December 31, 2012), or an effective interest rate of .73% at December 31, 2012. The facility fee is .40%. The company had $225.0 million and $280.0 million in outstanding borrowings under the asset securitization program at December 31, 2012 and 2011, respectively. During the years ended December 31, 2012 and 2011, the average daily balance outstanding under the asset securitization program was $500.4 million and $369.8 million, respectively.

Both the revolving credit facility and asset securitization program include terms and conditions that limit the incurrence of additional borrowings, limit the company's ability to pay cash dividends or repurchase stock, and require that certain financial ratios be maintained at designated levels. The company was in compliance with all covenants as of December 31, 2012 and is currently not aware of any events that would cause non-compliance with any covenants in the future.

In the normal course of business certain of the company’s subsidiaries have agreements to sell, without recourse, selected trade receivables to financial institutions. The company does not retain financial or legal interests in these receivables, and accordingly they are accounted for as sales of the related receivables and the receivables are removed from the company’s consolidated balance sheets. Financing costs related to these transactions were not material and are included in "Interest and other financing expense, net" in the company’s consolidated statements of operations.

The company filed a shelf registration statement with the SEC in October 2012 registering debt securities, preferred stock, common stock, and warrants of Arrow Electronics, Inc. that may be issued by the company from time to time. As set forth in the shelf registration statement, the net proceeds from the sale of the offered securities may be used by the company for general corporate purposes, including repayment of borrowings, working capital, capital expenditures, acquisitions and stock repurchases, or for such other purposes as may be specified in the applicable prospectus supplement.

Management believes that the company's current cash availability, its current borrowing capacity under its revolving credit facility and asset securitization program, its expected ability to generate future operating cash flows, and the company's access to capital markets are sufficient to meet its projected cash flow needs for the foreseeable future. The company continually evaluates its liquidity requirements and would seek to amend its existing borrowing capacity or access the financial markets as deemed necessary.

Contractual Obligations

Payments due under contractual obligations at December 31, 2012 is as follows (in thousands):

	Within 1 Year	1-3 Years	4-5 Years	After 5 Years	Total
Debt	$ 360,798	$ 508,313	$ 123,779	$ 946,191	$ 1,939,081
Interest on long-term debt	101,610	143,297	120,813	222,427	588,147
Capital leases	3,559	7,121	2,074	—	12,754
Operating leases	67,680	81,924	32,744	17,293	199,641
Purchase obligations (a)	2,493,870	16,061	1,090	213	2,511,234
Other (b)	17,492	11,852	8,170	9,463	46,977
	$ 3,045,009	$ 768,568	$ 288,670	$ 1,195,587	$ 5,297,834

(a) Amounts represent an estimate of non-cancelable inventory purchase orders and other contractual obligations related to information technology and facilities as of December 31, 2012. Most of the company's inventory purchases are pursuant to authorized distributor agreements, which are typically cancelable by either party at any time or on short notice, usually within a few months.

(b) Includes estimates of contributions required to meet the requirements of the Wyle defined benefit plan. Amounts are subject to change based upon the performance of plan assets, as well as the discount rate used to determine the obligation. The company does not anticipate having to make required contributions to the plans beyond 2021. Also included are amounts relating to personnel, facilities, and certain other costs resulting from restructuring and integration activities.

Under the terms of various joint venture agreements, the company is required to pay its pro-rata share of the third party debt of the joint ventures in the event that the joint ventures are unable to meet their obligations. At December 31, 2012, the company's pro-rata share of this debt was approximately $2.9 million. The company believes there is sufficient equity in the joint ventures to meet their obligations.

At December 31, 2012, the company had a liability for unrecognized tax benefits and a liability for the payment of related interest totaling $57.6 million, of which approximately $1.0 million is expected to be paid within one year. For the remaining liability, due to the uncertainties related to these tax matters, the company is unable to make a reasonably reliable estimate when cash settlement with a taxing authority will occur.

Share-Repurchase Program

In June 2012, the company's Board of Directors approved the repurchase of up to $200 million of the company's common stock. As of December 31, 2012, the company repurchased 2,922,822 shares under this program with a market value of $102.3 million at the dates of repurchase.

Off-Balance Sheet Arrangements

The company has no off-balance sheet financing or unconsolidated special purpose entities.

Critical Accounting Policies and Estimates

The company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the company to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses and related disclosure of contingent assets and liabilities. The company evaluates its estimates on an ongoing basis. The company bases its estimates on historical experience and on various other assumptions that are believed reasonable under the circumstances; the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The company believes the following critical accounting policies involve the more significant judgments and estimates used in the preparation of its consolidated financial statements:

Revenue Recognition

The company recognizes revenue when there is persuasive evidence of an arrangement, delivery has occurred or services are rendered, the sales price is determinable, and collectibility is reasonably assured. Revenue typically is recognized at time of shipment. Sales are recorded net of discounts, rebates, and returns, which historically have not been material.

A portion of the company's business involves shipments directly from its suppliers to its customers. In these transactions, the company is responsible for negotiating price both with the supplier and customer, payment to the supplier, establishing payment terms with the customer, and product returns and also has risk of loss if the customer does not make payment. As the principal with the customer, the company recognizes the sale and cost of sale of the product upon receiving notification from the supplier that the product was shipped.

The company has certain business with select customers and suppliers that is accounted for on an agency basis (that is, the company recognizes the fees associated with serving as an agent in sales with no associated cost of sales) in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 605-45-45. Generally, these transactions relate to the sale of supplier service contracts to customers where the company has no future obligation to perform under these contracts or the rendering of logistics services for the delivery of inventory for which the company does not assume the risks and rewards of ownership.

During the third quarter of 2012, the company prospectively revised its presentation of sales related to certain fulfillment contracts to present these revenues on an agency basis as net fees, as compared to presenting gross sales and costs of sales in prior periods. This revised presentation had no impact on the company's consolidated balance sheet or statement of cash flows. Within the consolidated statement of operations, gross profit dollars, operating income dollars, net income dollars, and earnings per share were also not impacted for any periods reported. Prior to this prospective revision, these contracts approximated one, four, and two percent of the company's consolidated sales for 2012, 2011, and 2010, respectively. Management has concluded that the impact of this revised presentation is not material and, therefore, prior periods have not been adjusted.

Accounts Receivable

The company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The allowances for doubtful accounts are determined using a combination of factors, including the length of time the receivables are outstanding, the current business environment, and historical experience.

Inventories

Inventories are stated at the lower of cost or market. Write-downs of inventories to market value are based upon contractual provisions governing price protection, stock rotation, and obsolescence, as well as assumptions about future demand and market conditions. If assumptions about future demand change and/or actual market conditions are less favorable than those projected by the company, additional write-downs of inventories may be required. Due to the large number of transactions and the complexity of managing the process around price protections and stock rotations, estimates are made regarding adjustments to the book cost of inventories. Actual amounts could be different from those estimated.

Investments

The company accounts for available-for-sale investments at fair value, using quoted market prices, and the related holding gains and losses are included in "Other" in the shareholders' equity section in the company's consolidated balance sheets. The company assesses its long-term investments accounted for as available-for-sale on an ongoing basis to determine whether declines in market value below cost are other-than-temporary. When the decline is determined to be other-than-temporary, the cost basis for the individual security is reduced and a loss is realized in the company's consolidated statement of operations in the period in which it occurs. The company makes such determination after considering the length of time and the extent to which the market value of the investment is less than its cost, the financial condition and operating results of the investee, and the company's intent and ability to retain the investment over time to potentially allow for any recovery in market value. In addition, the company assesses the following factors:

- broad economic factors impacting the investee's industry;

- publicly available forecasts for sales and earnings growth for the industry and investee; and
- the cyclical nature of the investee's industry.

The company could incur an impairment charge in future periods if, among other factors, the investee's future earnings differ from currently available forecasts.

Income Taxes

The carrying value of the company's deferred tax assets is dependent upon the company's ability to generate sufficient future taxable income in certain tax jurisdictions. Should the company determine that it is more likely than not that some portion or all of its deferred tax assets will not be realized, a valuation allowance to the deferred tax assets would be established in the period such determination was made.

It is the company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. At December 31, 2012, the company believes it has appropriately accounted for any unrecognized tax benefits. To the extent the company prevails in matters for which a liability for an unrecognized tax benefit is established or is required to pay amounts in excess of the liability, the company's effective tax rate in a given financial statement period may be affected.

Financial Instruments

The company uses various financial instruments, including derivative instruments, for purposes other than trading. Certain derivative instruments are designated at inception as hedges and measured for effectiveness both at inception and on an ongoing basis. Derivative instruments not designated as hedges are marked-to-market each reporting period with any unrealized gains or losses recognized in earnings.

The company enters into interest rate swap transactions that convert certain fixed-rate debt to variable-rate debt or variable-rate debt to fixed-rate debt in order to manage its targeted mix of fixed- and floating-rate debt. The effective portion of the change in the fair value of interest rate swaps designated as fair value hedges is recorded as a change to the carrying value of the related hedged debt, and the effective portion of the change in fair value of interest rate swaps designated as cash flow hedges is recorded in the shareholders' equity section in the company's consolidated balance sheets in "Other." The ineffective portion of the interest rate swaps, if any, is recorded in "Interest and other financing expense, net" in the company's consolidated statements of operations.

The company occasionally enters into cross-currency swaps to hedge a portion of its net investment in euro-denominated net assets. The company's cross-currency swaps are derivatives designated as net investment hedges. The effective portion of the change in the fair value of derivatives designated as net investment hedges is recorded in "Foreign currency translation adjustment" included in the company's consolidated balance sheets and any ineffective portion is recorded in "Interest and other financing expense, net" in the company's consolidated statements of operations. As the notional amounts of the company's cross-currency swaps are expected to equal a comparable amount of hedged net assets, no material ineffectiveness is expected. The company uses the hypothetical derivative method to assess the effectiveness of its net investment hedge on a quarterly basis.

Contingencies and Litigation

The company is subject to proceedings, lawsuits, and other claims related to environmental, regulatory, labor, product, tax, and other matters and assesses the likelihood of an adverse judgment or outcome for these matters, as well as the range of potential losses. A determination of the reserves required, if any, is made after careful analysis. The reserves may change in the future due to new developments impacting the probability of a loss, the estimate of such loss, and the probability of recovery of such loss from third parties.

Restructuring and Integration

The company recorded charges in connection with restructuring its businesses and the integration of acquired businesses. These items primarily include employee separation costs and estimates related to the consolidation of facilities (net of sub-lease income), contractual obligations, and the impairment of certain assets. Actual amounts could be different from those estimated.

Stock-Based Compensation

The company records share-based payment awards exchanged for employee services at fair value on the date of grant and expenses the awards in the consolidated statements of operations over the requisite employee service period. Stock-based compensation

expense includes an estimate for forfeitures and is generally recognized over the vesting period of the award on a straight-line basis. Stock-based compensation expense related to awards with a market or performance condition is generally recognized over the vesting period of the award utilizing the graded vesting method. The fair value of stock options is determined using the Black-Scholes valuation model and the assumptions shown in Note 12 of the Notes to the Consolidated Financial Statements. The assumptions used in calculating the fair value of share-based payment awards represent management's best estimates. The company's estimates may be impacted by certain variables including, but not limited to, stock price volatility, employee stock option exercise behaviors, additional stock option grants, estimates of forfeitures, the company's performance, and related tax impacts.

Employee Benefit Plans

The costs and obligations of the company's defined benefit pension plans are dependent on actuarial assumptions. The two critical assumptions used, which impact the net periodic pension cost (income) and the benefit obligation, are the discount rate and expected return on plan assets. The discount rate represents the market rate for a high-quality corporate bond, and the expected return on plan assets is based on current and expected asset allocations, historical trends, and expected returns on plan assets. These key assumptions are evaluated annually. Changes in these assumptions can result in different expense and liability amounts.

Costs in Excess of Net Assets of Companies Acquired

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. The company tests goodwill for impairment annually as of the first day of the fourth quarter and when an event occurs or circumstances change such that it is more likely than not that an impairment may exist. Examples of such events and circumstances that the company would consider include the following:

- macroeconomic conditions such as deterioration in general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, or other developments in equity and credit markets;
- industry and market considerations such as a deterioration in the environment in which the company operates, an increased competitive environment, a decline in market-dependent multiples or metrics (considered in both absolute terms and relative to peers), a change in the market for the company's products or services, or a regulatory or political development;
- cost factors such as increases in raw materials, labor, or other costs that have a negative effect on earnings and cash flows;
- overall financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods;
- other relevant entity-specific events such as changes in management, key personnel, strategy, or customers; contemplation of bankruptcy; or litigation;
- events affecting a reporting unit such as a change in the composition or carrying amount of its net assets, a more-likely-than-not expectation of selling or disposing all, or a portion, of a reporting unit, the testing for recoverability of a significant asset group within a reporting unit, or recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit; and
- a sustained decrease in share price (considered in both absolute terms and relative to peers).

Goodwill is reviewed for impairment utilizing a two-step process. The first step of the impairment test requires the identification of the reporting units and comparison of the fair value of each of these reporting units to the respective carrying value. The company's reporting units are defined as each of the three regional businesses within the global components business segment, which are the Americas, EMEA, and Asia/Pacific and each of the two regional businesses within the global ECS business segment, which are North America and EMEA. If the carrying value of the reporting unit is less than its fair value, no impairment exists and the second step is not performed. If the carrying value of the reporting unit is higher than its fair value, the second step must be performed to compute the amount of the goodwill impairment, if any. In the second step, the impairment is computed by comparing the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized for the excess.

The company estimates the fair value of a reporting unit using the income approach. For the purposes of the income approach, fair value is determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. The assumptions included in the income approach include forecasted revenues, gross profit margins, operating income margins, working capital cash flow, perpetual growth rates, and long-term discount rates, among others, all of which require significant judgments by management. Actual results may differ from those assumed in the company's forecasts. The company also reconciles its discounted cash flow analysis to its current market capitalization allowing for a reasonable control premium. As of the first day of the fourth quarters of 2012, 2011, and 2010, the company's annual impairment testing did not indicate impairment at any of the company's reporting units.

A decline in general economic conditions or global equity valuations could impact the judgments and assumptions about the fair value of the company's businesses, and the company could be required to record an impairment charge in the future, which could impact the company's consolidated balance sheet, as well as the company's consolidated statement of operations. If the company was required to recognize an impairment charge in the future, the charge would not impact the company's consolidated cash flows, current liquidity, capital resources, and covenants under its existing revolving credit facility, asset securitization program, and other outstanding borrowings.

As of December 31, 2012, the company has $1.71 billion of goodwill, of which approximately $935.5 million and $22.4 million was allocated to the Americas and Asia/Pacific reporting units within the global components business segment, respectively and $557.5 million and $196.3 million was allocated to the North America and EMEA reporting units within the global ECS business segment, respectively. As of the date of the company's latest impairment test, the fair value of the Americas and Asia/Pacific reporting units within the global components business segment and the fair value of the North America and EMEA reporting units within the global ECS business segment exceeded their carrying values by approximately 34%, 60%, 140%, and 192%, respectively.

Impairment of Long-Lived Assets

The company reviews long-lived assets, including property, plant and equipment and identifiable intangible assets, for impairment whenever changes in circumstances or events may indicate that the carrying amounts are not recoverable. The company also tests indefinite-lived intangible assets, consisting of acquired trade names, for impairment at least annually as of the first day of the fourth quarter. If the fair value is less than the carrying amount of the asset, a loss is recognized for the difference.

Factors which may cause an impairment of long-lived assets include significant changes in the manner of use of these assets, negative industry or market trends, a significant underperformance relative to historical or projected future operating results, or a likely sale or disposal of the asset before the end of its estimated useful life. If any of these factors exist, the company is required to test the long-lived asset for recoverability and may be required to recognize an impairment charge for all or a portion of the asset's carrying value.

During 2012, the company recorded an impairment charge of $6.6 million in connection with asset write-downs resulting from the company's decision to exit certain business activities which caused these assets to become redundant and have no future benefit. This impairment charge is included in "Restructuring, integration, and other charges" in the company's consolidated statements of operations.

Shipping and Handling Costs

Accounting principles generally accepted in the United States permit shipping and handling costs to be reported as either a component of cost of sales or selling, general, and administrative expenses. The company reports shipping and handling costs, primarily related to outbound freight, in the consolidated statements of operations as a component of selling, general, and administrative expenses. If the company included such costs in cost of sales, gross profit margin as a percentage of sales for 2012 would decrease 40 basis points from 13.4% to 13.0% with a corresponding decrease in selling, general, and administrative expenses and no impact on reported earnings.

Impact of Recently Issued Accounting Standards

In July 2012, the FASB issued Accounting Standards Update No. 2012-02, "Testing Indefinite-Lived Intangible Assets for Impairment" ("ASU No. 2012-02"), which allows entities to use a qualitative approach to test indefinite-lived intangible assets for impairment. ASU No. 2012-02 permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying value. If it is concluded that this is the case, it is necessary to perform the currently prescribed quantitative impairment test. Otherwise, the quantitative impairment test is not required. ASU No. 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. The adoption of the provisions of ASU No. 2012-02 will not have a material impact on the company's financial position or results of operations.

Information Relating to Forward-Looking Statements

This report includes forward-looking statements that are subject to numerous assumptions, risks, and uncertainties, which could cause actual results or facts to differ materially from such statements for a variety of reasons, including, but not limited to: industry conditions, the company's implementation of its new enterprise resource planning system, changes in product supply, pricing and customer demand, competition, other vagaries in the global components and global ECS markets, changes in relationships with key suppliers, increased profit margin pressure, the effects of additional actions taken to become more efficient or lower costs,

risks related to the integration of acquired businesses, change in legal and regulatory matters, and the company's ability to generate additional cash flow. Forward-looking statements are those statements, which are not statements of historical fact. These forward-looking statements can be identified by forward-looking words such as "expects," "anticipates," "intends," "plans," "may," "will," "believes," "seeks," "estimates," and similar expressions. Shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update publicly or revise any of the forward-looking statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk .

The company is exposed to market risk from changes in foreign currency exchange rates and interest rates.

Foreign Currency Exchange Rate Risk

The company, as a large global organization, faces exposure to adverse movements in foreign currency exchange rates. These exposures may change over time as business practices evolve and could materially impact the company's financial results in the future. The company's primary exposure relates to transactions in which the currency collected from customers is different from the currency utilized to purchase the product sold in Europe, the Asia Pacific region, Canada, and Latin America. The company's policy is to hedge substantially all such currency exposures for which natural hedges do not exist. Natural hedges exist when purchases and sales within a specific country are both denominated in the same currency and, therefore, no exposure exists to hedge with foreign exchange forward, option, or swap contracts (collectively, the "foreign exchange contracts"). In many regions in Asia, for example, sales and purchases are primarily denominated in U.S. dollars, resulting in a "natural hedge." Natural hedges exist in most countries in which the company operates, although the percentage of natural offsets, as compared with offsets that need to be hedged by foreign exchange contracts, will vary from country to country. The company does not enter into foreign exchange contracts for trading purposes. The risk of loss on a foreign exchange contract is the risk of nonperformance by the counterparties, which the company minimizes by limiting its counterparties to major financial institutions. The fair values of the foreign exchange contracts, which are nominal, are estimated using market quotes. The notional amount of the foreign exchange contracts at December 31, 2012 and 2011 was $425.1 million and $332.9 million, respectively.

The translation of the financial statements of the non-United States operations is impacted by fluctuations in foreign currency exchange rates. The change in consolidated sales and operating income was impacted by the translation of the company's international financial statements into U.S. dollars. This resulted in decreased sales and operating income of $460.5 million and $17.0 million, respectively, for 2012, compared with the year-earlier period, based on 2011 sales and operating income at the average rate for 2012. Sales and operating income would decrease by approximately $593.4 million and $17.6 million, respectively, if average foreign exchange rates had declined by 10% against the U.S. dollar in 2012. These amounts were determined by considering the impact of a hypothetical foreign exchange rate on the sales and operating income of the company's international operations.

Interest Rate Risk

The company's interest expense, in part, is sensitive to the general level of interest rates in North America, Europe, and the Asia Pacific region. The company historically has managed its exposure to interest rate risk through the proportion of fixed-rate and floating-rate debt in its total debt portfolio. Additionally, the company utilizes interest rate swaps in order to manage its targeted mix of fixed- and floating-rate debt.

At December 31, 2012, approximately 80% of the company's debt was subject to fixed rates, and 20% of its debt was subject to floating rates. A one percentage point change in average interest rates would not materially impact net interest and other financing expense in 2012. This was determined by considering the impact of a hypothetical interest rate on the company's average floating rate on investments and outstanding debt. This analysis does not consider the effect of the level of overall economic activity that could exist. In the event of a change in the level of economic activity, which may adversely impact interest rates, the company could likely take actions to further mitigate any potential negative exposure to the change. However, due to the uncertainty of the specific actions that might be taken and their possible effects, the sensitivity analysis assumes no changes in the company's financial structure.

In September 2011, the company entered into a ten-year forward-starting interest rate swap (the "2011 swap") locking in a treasury rate of 2.63% with an aggregate notional amount of $175.0 million. This swap manages the risk associated with changes in treasury rates and the impact of future interest payments. The 2011 swap relates to the interest payments for anticipated debt issuances. Such anticipated debt issuances are expected to replace the outstanding debt maturing in July 2013. The 2011 swap is classified as a cash flow hedge and had a negative fair value of $10.8 million and $3.0 million at December 31, 2012 and 2011, respectively.

In December 2010, the company entered into interest rate swaps, with an aggregate notional amount of $250.0 million. The swaps modified the company's interest rate exposure by effectively converting the fixed 3.375% notes due in November 2015 to a floating rate, based on the three-month U.S. dollar LIBOR plus a spread, through its maturity. In September 2011, these interest rate swap agreements were terminated for proceeds of $11.9 million, net of accrued interest. The proceeds of the swap terminations, less accrued interest, were reflected as a premium to the underlying debt and are being amortized as a reduction to interest expense over the remaining term of the underlying debt.

In June 2004 and November 2009, the company entered into interest rate swaps, with an aggregate notional amount of $275.0 million. The swaps modified the company's interest rate exposure by effectively converting a portion of the fixed 6.875% senior notes due in July 2013 to a floating rate, based on the six-month U.S. dollar LIBOR plus a spread, through its maturity. In September 2011, these interest rate swap agreements were terminated for proceeds of $12.2 million, net of accrued interest. The proceeds of the swap terminations, less accrued interest, were reflected as a premium to the underlying debt and are being amortized as a reduction to interest expense over the remaining term of the underlying debt.

Item 8. Financial Statements and Supplementary Data.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Arrow Electronics, Inc.

We have audited the accompanying consolidated balance sheets of Arrow Electronics, Inc. (the "company") as of December 31, 2012 and 2011 and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and the schedule are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Arrow Electronics, Inc. at December 31, 2012 and 2011, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2012 in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Arrow Electronics, Inc.'s internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dat ed February 7, 2013 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York
February 7, 2013

ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except per share data)

	Years Ended December 31,		
	2012	**2011**	**2010**
Sales	$ 20,405,128	$ 21,390,264	$ 18,744,676
Costs and expenses:			
Cost of sales	17,667,842	18,441,661	16,326,069
Selling, general, and administrative expenses	1,849,534	1,892,592	1,556,986
Depreciation and amortization	115,350	103,482	77,352
Restructuring, integration, and other charges	47,437	37,811	33,494
Settlement of legal matters	(79,158)	5,875	—
	19,601,005	20,481,421	17,993,901
Operating income	804,123	908,843	750,775
Equity in earnings of affiliated companies	8,112	6,736	6,369
Interest and other financing expense, net	101,876	105,971	76,571
Other	—	(193)	1,570
Income before income taxes	710,359	809,801	679,003
Provision for income taxes	203,642	210,485	199,378
Consolidated net income	506,717	599,316	479,625
Noncontrolling interests	385	506	(5)
Net income attributable to shareholders	$ 506,332	$ 598,810	$ 479,630
Net income per share:			
Basic	$ 4.64	$ 5.25	$ 4.06
Diluted	$ 4.56	$ 5.17	$ 4.01
Average number of shares outstanding:			
Basic	109,240	114,025	117,997
Diluted	111,077	115,932	119,577

See accompanying notes.

ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Years Ended December 31,		
	2012	**2011**	**2010**
Consolidated net income	$ 506,717	$ 599,316	$ 479,625
Other comprehensive income:			
Foreign currency translation adjustments	23,889	(49,384)	(21,110)
Unrealized gain (loss) on investment securities, net	3,679	(11,886)	5,501
Unrealized loss on interest rate swaps designated as cash flow hedges, net	(4,805)	(1,855)	—
Employee benefit plan items, net	(6,976)	(14,482)	2,744
Other comprehensive income (loss)	15,787	(77,607)	(12,865)
Comprehensive income	522,504	521,709	466,760
Less: Comprehensive income (loss) attributable to noncontrolling interests	192	486	(10)
Comprehensive income attributable to shareholders	$ 522,312	$ 521,223	$ 466,770

See accompanying notes.

ARROW ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands except par value)

	December 31,	
	2012	2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 409,684	$ 396,887
Accounts receivable, net	4,923,898	4,482,117
Inventories	2,052,720	1,963,910
Other current assets	328,999	181,677
Total current assets	7,715,301	7,024,591
Property, plant and equipment, at cost:		
Land	23,944	23,790
Buildings and improvements	152,008	147,215
Machinery and equipment	1,030,983	934,558
	1,206,935	1,105,563
Less: Accumulated depreciation and amortization	(607,294)	(549,334)
Property, plant and equipment, net	599,641	556,229
Investments in affiliated companies	65,603	60,579
Intangible assets, net	414,033	392,763
Cost in excess of net assets of companies acquired	1,711,703	1,473,333
Other assets	279,406	321,584
Total assets	$ 10,785,687	$ 9,829,079
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 3,769,268	$ 3,264,088
Accrued expenses	776,586	660,996
Short-term borrowings, including current portion of long-term debt	364,357	33,843
Total current liabilities	4,910,211	3,958,927
Long-term debt	1,587,478	1,927,823
Other liabilities	300,636	267,069
Equity:		
Shareholders' equity:		
Common stock, par value $1:		
Authorized - 160,000 shares in 2012 and 2011		
Issued - 125,424 and 125,382 shares in 2012 and 2011, respectively	125,424	125,382
Capital in excess of par value	1,086,239	1,076,275
Treasury stock (19,423 and 13,568 shares in 2012 and 2011, respectively), at cost	(652,867)	(434,959)
Retained earnings	3,279,289	2,772,957
Foreign currency translation adjustment	182,632	158,550
Other	(37,495)	(29,393)
Total shareholders' equity	3,983,222	3,668,812
Noncontrolling interests	4,140	6,448
Total equity	3,987,362	3,675,260
Total liabilities and equity	$ 10,785,687	$ 9,829,079

See accompanying notes.

ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Years Ended December 31,		
	2012	**2011**	**2010**
Cash flows from operating activities:			
Consolidated net income	$ 506,717	$ 599,316	$ 479,625
Adjustments to reconcile consolidated net income to net cash provided by operations:			
Depreciation and amortization	115,350	103,482	77,352
Amortization of stock-based compensation	34,546	39,225	34,613
Equity in earnings of affiliated companies	(8,112)	(6,736)	(6,369)
Deferred income taxes	(5,414)	(11,377)	17,133
Restructuring, integration, and other charges	30,739	28,054	24,605
Non-cash impact of tax matters	—	—	(11,716)
Excess tax benefits from stock-based compensation arrangements	(5,029)	(7,956)	(1,922)
Other	(5,786)	4,309	3,302
Change in assets and liabilities, net of effects of acquired businesses:			
Accounts receivable	(318,689)	(193,492)	(805,637)
Inventories	(62,383)	105,150	(497,294)
Accounts payable	406,874	(465,603)	799,142
Accrued expenses	38,858	(74,236)	88,675
Other assets and liabilities	(52,638)	747	19,263
Net cash provided by operating activities	675,033	120,883	220,772
Cash flows from investing activities:			
Cash consideration paid for acquired businesses	(281,918)	(532,568)	(587,087)
Acquisition of property, plant and equipment	(112,224)	(113,941)	(112,254)
Purchase of cost method investment	(15,000)	—	—
Proceeds from sale of properties	—	—	16,971
Net cash used for investing activities	(409,142)	(646,509)	(682,370)
Cash flows from financing activities:			
Change in short-term and other borrowings	(9,812)	(6,172)	9,775
Proceeds from (repayment of) long-term bank borrowings, net	(5,400)	354,000	—
Repayment of bank term loan	—	(200,000)	—
Net proceeds from note offering	—	—	494,325
Repurchase/repayment of senior notes	—	(19,324)	(69,545)
Proceeds from exercise of stock options	13,372	46,665	8,057
Excess tax benefits from stock-based compensation arrangements	5,029	7,956	1,922
Repurchases of common stock	(260,870)	(197,044)	(173,650)
Net cash provided by (used for) financing activities	(257,681)	(13,919)	270,884
Effect of exchange rate changes on cash	4,587	10,111	(19,972)
Net increase (decrease) in cash and cash equivalents	12,797	(529,434)	(210,686)
Cash and cash equivalents at beginning of year	396,887	926,321	1,137,007
Cash and cash equivalents at end of year	$ 409,684	$ 396,887	$ 926,321

See accompanying notes.

ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

	Common Stock at Par Value	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Foreign Currency Translation Adjustment	Other	Noncontrolling Interests	Total
Balance at December 31, 2009	$ 125,287	$1,056,704	$(179,152)	$1,694,517	$ 229,019	$ (9,415)	$ 337	$2,917,297
Consolidated net income (loss)	—	—	—	479,630	—	—	(5)	479,625
Translation adjustments	—	—	—	—	(21,105)	—	(5)	(21,110)
Unrealized gain on investment securities, net	—	—	—	—	—	5,501	—	5,501
Employee benefit plan items, net	—	—	—	—	—	2,744	—	2,744
Amortization of stock-based compensation	—	34,613	—	—	—	—	—	34,613
Shares issued for stock-based compensation awards	50	(26,301)	34,308	—	—	—	—	8,057
Tax benefits related to stock-based compensation awards	—	1,178	—	—	—	—	—	1,178
Repurchases of common stock	—	—	(173,650)	—	—	—	—	(173,650)
Purchase of subsidiary shares from noncontrolling interest	—	(2,733)	—	—	—	—	(327)	(3,060)
Balance at December 31, 2010	125,337	1,063,461	(318,494)	2,174,147	207,914	(1,170)	—	3,251,195
Consolidated net income	—	—	—	598,810	—	—	506	599,316
Translation adjustments	—	—	—	—	(49,364)	—	(20)	(49,384)
Unrealized loss on investment securities, net	—	—	—	—	—	(11,886)	—	(11,886)
Unrealized loss on interest rate swaps designated as cash flow hedges, net	—	—	—	—	—	(1,855)	—	(1,855)
Employee benefit plan items, net	—	—	—	—	—	(14,482)	—	(14,482)
Amortization of stock-based compensation	—	39,225	—	—	—	—	—	39,225
Shares issued for stock-based compensation awards	45	(33,959)	80,579	—	—	—	—	46,665
Tax benefits related to stock-based compensation awards	—	7,548	—	—	—	—	—	7,548
Repurchases of common stock	—	—	(197,044)	—	—	—	—	(197,044)
Acquisition of noncontrolling interests	—	—	—	—	—	—	5,962	5,962
Balance at December 31, 2011	$ 125,382	$1,076,275	$(434,959)	$2,772,957	$ 158,550	$ (29,393)	$ 6,448	$3,675,260

ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF EQUITY (continued)
(In thousands)

	Common Stock at Par Value	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Foreign Currency Translation Adjustment	Other	Noncontrolling Interests	Total
Balance at December 31, 2011	$ 125,382	$1,076,275	$(434,959)	$2,772,957	$ 158,550	$ (29,393)	$ 6,448	$3,675,260
Consolidated net income	—	—	—	506,332	—	—	385	506,717
Translation adjustments	—	—	—	—	24,082	—	(193)	23,889
Unrealized gain on investment securities, net	—	—	—	—	—	3,679	—	3,679
Unrealized loss on interest rate swaps designated as cash flow hedges, net	—	—	—	—	—	(4,805)	—	(4,805)
Employee benefit plan items, net	—	—	—	—	—	(6,976)	—	(6,976)
Amortization of stock-based compensation	—	34,546	—	—	—	—	—	34,546
Shares issued for stock-based compensation awards	42	(29,632)	42,962	—	—	—	—	13,372
Tax benefits related to stock-based compensation awards	—	5,076	—	—	—	—	—	5,076
Repurchases of common stock	—	—	(260,870)	—	—	—	—	(260,870)
Purchase of subsidiary shares from noncontrolling interest	—	(26)	—	—	—	—	(2,500)	(2,526)
Balance at December 31, 2012	$ 125,424	$1,086,239	$(652,867)	$3,279,289	$ 182,632	$ (37,495)	$ 4,140	$3,987,362

See accompanying notes.

ARROW ELECTRONICS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands except per share data)

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the company and its majority-owned subsidiaries. All significant intercompany transactions are eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the company to make significant estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments, which are readily convertible into cash, with original maturities of three months or less.

Inventories

Inventories are stated at the lower of cost or market. Cost approximates the first-in, first-out method. Substantially all inventories represent finished goods held for sale.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. The estimated useful lives for depreciation of buildings is generally 20 to 30 years, and the estimated useful lives of machinery and equipment is generally three to ten years. Leasehold improvements are amortized over the shorter of the term of the related lease or the life of the improvement. Long-lived assets are reviewed for impairment whenever changes in circumstances or events may indicate that the carrying amounts are not recoverable. If the carrying value of the asset can not be recovered from estimated future cash flows, undiscounted and without interest, the fair value of the asset is calculated using the present value of estimated net future cash flows. If the fair value is less than the carrying amount of the asset, a loss is recognized for the difference.

Software Development Costs

The company capitalizes certain internal and external costs incurred to acquire or create internal-use software. Capitalized software costs are amortized on a straight-line basis over the estimated useful life of the software, which is generally three to seven years. At December 31, 2012 and 2011, the company had unamortized software development costs of $407,032 and $381,700, respectively.

Identifiable Intangible Assets

Amortization of definite-lived intangible assets is computed on the straight-line method over the estimated useful lives of the assets, while indefinite-lived intangible assets are not amortized. Identifiable intangible assets are reviewed for impairment whenever changes in circumstances or events may indicate that the carrying amounts are not recoverable. The company also tests indefinite-lived intangible assets, consisting of acquired trade names, for impairment at least annually as of the first day of the fourth quarter. If the fair value is less than the carrying amount of the asset, a loss is recognized for the difference.

Investments

Investments are accounted for using the equity method if the investment provides the company the ability to exercise significant influence, but not control, over an investee. Significant influence is generally deemed to exist if the company has an ownership interest in the voting stock of the investee between 20% and 50%, although other factors, such as representation on the investee's

Board of Directors, are considered in determining whether the equity method is appropriate. The company records its investments in equity method investees meeting these characteristics as "Investments in affiliated companies" in the company's consolidated balance sheets.

All other equity investments, which consist of investments for which the company does not possess the ability to exercise significant influence, are accounted for under the cost method, if privately held, or as available-for-sale, if publicly traded, and are included in "Other assets" in the company's consolidated balance sheets. Under the cost method of accounting, investments are carried at cost and are adjusted only for other-than-temporary declines in realizable value and additional investments. The company accounts for available-for-sale investments at fair value, using quoted market prices, and the related holding gains and losses are included in "Other" in the shareholders' equity section in the company's consolidated balance sheets. The company assesses its long-term investments accounted for as available-for-sale on an ongoing basis to determine whether declines in market value below cost are other-than-temporary. When the decline is determined to be other-than-temporary, the cost basis for the individual security is reduced and a loss is realized in the company's consolidated statement of operations in the period in which it occurs. The company makes such determination after considering the length of time and the extent to which the market value of the investment is less than its cost, the financial condition and operating results of the investee, and the company's intent and ability to retain the investment over time to potentially allow for any recovery in market value. In addition, the company assesses the following factors:

- broad economic factors impacting the investee's industry;
- publicly available forecasts for sales and earnings growth for the industry and investee; and
- the cyclical nature of the investee's industry.

The company could incur an impairment charge in future periods if, among other factors, the investee's future earnings differ from currently available forecasts.

Cost in Excess of Net Assets of Companies Acquired

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. The company tests goodwill for impairment annually as of the first day of the fourth quarter and when an event occurs or circumstances change such that it is more likely than not that an impairment may exist. Examples of such events and circumstances that the company would consider include the following:

- macroeconomic conditions such as deterioration in general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, or other developments in equity and credit markets;
- industry and market considerations such as a deterioration in the environment in which the company operates, an increased competitive environment, a decline in market-dependent multiples or metrics (considered in both absolute terms and relative to peers), a change in the market for the company's products or services, or a regulatory or political development;
- cost factors such as increases in raw materials, labor, or other costs that have a negative effect on earnings and cash flows;
- overall financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods;
- other relevant entity-specific events such as changes in management, key personnel, strategy, or customers; contemplation of bankruptcy; or litigation;
- events affecting a reporting unit such as a change in the composition or carrying amount of its net assets, a more-likely-than-not expectation of selling or disposing all, or a portion, of a reporting unit, the testing for recoverability of a significant asset group within a reporting unit, or recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit; and
- a sustained decrease in share price (considered in both absolute terms and relative to peers).

Goodwill is reviewed for impairment utilizing a two-step process. The first step of the impairment test requires the identification of the reporting units and comparison of the fair value of each of these reporting units to the respective carrying value. The company's reporting units are defined as each of the three regional businesses within the global components business segment, which are the Americas, EMEA (Europe, Middle East, and Africa), and Asia/Pacific and each of the two regional businesses within the global Enterprise Computing Solutions ("ECS") business segment, which are North America and EMEA. If the carrying value of the reporting unit is less than its fair value, no impairment exists and the second step is not performed. If the carrying value of the reporting unit is higher than its fair value, the second step must be performed to compute the amount of the goodwill impairment, if any. In the second step, the impairment is computed by comparing the implied fair value of the reporting unit goodwill with

the carrying amount of that goodwill. If the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized for the excess.

The company estimates the fair value of a reporting unit using the income approach. For the purposes of the income approach, fair value is determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. The assumptions included in the income approach include forecasted revenues, gross profit margins, operating income margins, working capital cash flow, perpetual growth rates, and long-term discount rates, among others, all of which require significant judgments by management. Actual results may differ from those assumed in the company's forecasts. The company also reconciles its discounted cash flow analysis to its current market capitalization allowing for a reasonable control premium. As of the first day of the fourth quarters of 2012, 2011, and 2010, the company's annual impairment testing did not indicate impairment at any of the company's reporting units.

Foreign Currency Translation

The assets and liabilities of international operations are translated at the exchange rates in effect at the balance sheet date, with the related translation gains or losses reported as a separate component of shareholders' equity in the company's consolidated balance sheets. The results of international operations are translated at the monthly average exchange rates.

Income Taxes

Income taxes are accounted for under the liability method. Deferred income taxes reflect the tax consequences on future years of differences between the tax bases of assets and liabilities and their financial reporting amounts. The carrying value of the company's deferred tax assets is dependent upon the company's ability to generate sufficient future taxable income in certain tax jurisdictions. Should the company determine that it is more likely than not that some portion or all of its deferred tax assets will not be realized, a valuation allowance to the deferred tax assets would be established in the period such determination was made.

It is the company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. At December 31, 2012, the company believes it has appropriately accounted for any unrecognized tax benefits. To the extent the company prevails in matters for which a liability for an unrecognized tax benefit is established or is required to pay amounts in excess of the liability, the company's effective tax rate in a given financial statement period may be affected.

Net Income Per Share

Basic net income per share is computed by dividing net income attributable to shareholders by the weighted-average number of common shares outstanding for the period. Diluted net income per share reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock.

Comprehensive Income

Comprehensive income consists of consolidated net income, foreign currency translation adjustments, employee benefit plan items, and unrealized gains or losses on investment securities and interest rate swaps designated as cash flow hedges. Unrealized gains or losses on investment securities are net of any reclassification adjustments for realized gains or losses included in consolidated net income. Foreign currency translation adjustments included in comprehensive income were not tax effected as investments in international affiliates are deemed to be permanent. All other comprehensive income items are net of related income taxes.

Stock-Based Compensation

The company records share-based payment awards exchanged for employee services at fair value on the date of grant and expenses the awards in the consolidated statements of operations over the requisite employee service period. Stock-based compensation expense includes an estimate for forfeitures and is generally recognized over the vesting period of the award on a straight-line basis. Stock-based compensation expense related to awards with a market or performance condition is generally recognized over the vesting period of the award utilizing the graded vesting method. The company recorded, as a component of selling, general, and administrative expenses, amortization of stock-based compensation of $34,546, $39,225, and $34,613 in 2012, 2011, and 2010, respectively.

Segment Reporting

Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The company's operations are classified into two reportable business segments: global components and global ECS.

Revenue Recognition

The company recognizes revenue when there is persuasive evidence of an arrangement, delivery has occurred or services are rendered, the sales price is determinable, and collectibility is reasonably assured. Revenue typically is recognized at time of shipment. Sales are recorded net of discounts, rebates, and returns, which historically have not been material.

A portion of the company's business involves shipments directly from its suppliers to its customers. In these transactions, the company is responsible for negotiating price both with the supplier and customer, payment to the supplier, establishing payment terms with the customer, and product returns and also has risk of loss if the customer does not make payment. As the principal with the customer, the company recognizes the sale and cost of sale of the product upon receiving notification from the supplier that the product was shipped.

The company has certain business with select customers and suppliers that is accounted for on an agency basis (that is, the company recognizes the fees associated with serving as an agent in sales with no associated cost of sales) in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 605-45-45. Generally, these transactions relate to the sale of supplier service contracts to customers where the company has no future obligation to perform under these contracts or the rendering of logistics services for the delivery of inventory for which the company does not assume the risks and rewards of ownership.

During the third quarter of 2012, the company prospectively revised its presentation of sales related to certain fulfillment contracts to present these revenues on an agency basis as net fees, as compared to presenting gross sales and costs of sales in prior periods. This revised presentation had no impact on the company's consolidated balance sheet or statement of cash flows. Within the consolidated statement of operations, gross profit dollars, operating income dollars, net income dollars, and earnings per share were also not impacted for any periods reported. Prior to this prospective revision, these contracts approximated one, four, and two percent of the company's consolidated sales for 2012, 2011, and 2010, respectively. Management has concluded that the impact of this revised presentation is not material and, therefore, prior periods have not been adjusted.

Shipping and Handling Costs

Shipping and handling costs included in selling, general, and administrative expenses totaled $83,278, $78,666, and $61,423 in 2012, 2011, and 2010, respectively.

Impact of Recently Issued Accounting Standards

In July 2012, the FASB issued Accounting Standards Update No. 2012-02, "Testing Indefinite-Lived Intangible Assets for Impairment" ("ASU No. 2012-02"), which allows entities to use a qualitative approach to test indefinite-lived intangible assets for impairment. ASU No. 2012-02 permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying value. If it is concluded that this is the case, it is necessary to perform the currently prescribed quantitative impairment test. Otherwise, the quantitative impairment test is not required. ASU No. 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. The adoption of the provisions of ASU No. 2012-02 will not have a material impact on the company's financial position or results of operations.

Reclassification

Certain prior year amounts were reclassified to conform to the current year presentation.

2. Acquisitions

The company accounts for acquisitions using the acquisition method of accounting. The results of operations of acquisitions are included in the company's consolidated results from their respective dates of acquisition. The company allocates the purchase price of each acquisition to the tangible assets, liabilities, and identifiable intangible assets acquired based on their estimated fair values. In certain circumstances, a portion of purchase price may be contingent upon the achievement of certain operating results. The fair values assigned to identifiable intangible assets acquired and contingent consideration were determined primarily by using an income approach which was based on assumptions and estimates made by management. Significant assumptions utilized in the income approach were based on company specific information and projections, which are not observable in the market and are thus considered Level 3 measurements by authoritative guidance (see Note 7). The excess of the purchase price over the fair value of the identified assets and liabilities has been recorded as goodwill. Any change in the estimated fair value of the net assets prior to the finalization of the allocation for acquisitions could change the amount of the purchase price allocable to goodwill. The company is not aware of any information that indicates the final purchase price allocations will differ materially from the preliminary estimates.

2012 Acquisitions

During 2012, the company completed seven acquisitions. The aggregate consideration for these seven acquisitions was $289,782, net of cash acquired and includes $10,390 of contingent consideration. The impact of these acquisitions was not material, individually or in the aggregate, to the company's consolidated financial position or results of operations. The pro forma impact of these acquisitions on the consolidated results of operations of the company for the years ended December 31, 2011 and 2012, as though the 2012 acquisitions occurred on January 1 was also not material.

2011 Acquisitions

On March 1, 2011, the company acquired all of the assets and operations of the RF, Wireless and Power Division of Richardson Electronics, Ltd. ("Richardson RFPD") for a purchase price of $235,973. Richardson RFPD is a leading value-added global component distributor and provider of engineered solutions serving the global radio frequency and wireless communications market, with approximately 400 employees. Richardson RFPD's product set includes devices for infrastructure and wireless networks, power management and alternative energy markets.

On January 3, 2011, the company acquired Nu Horizons Electronics Corp. ("Nu Horizons") for a purchase price of $161,125, which included cash acquired of $18,085 and $26,375 of debt paid at closing. Nu Horizons is a leading global distributor of advanced technology semiconductor, display, illumination, and power solutions to a wide variety of commercial original equipment manufacturers and electronic manufacturing service providers in the components industry. Nu Horizons has sales facilities and logistics centers throughout the world, serving a wide variety of end markets including industrial, military, networking, and data communications, and has over 700 employees.

The fair value of the net assets acquired, including identifiable intangible assets, relating to the Nu Horizons acquisition was approximately $162,213, which exceeds the purchase price discussed above of $161,125. Accordingly, the company recognized the excess of the fair value of the net assets acquired over purchase price paid of $1,088 ($668 net of related taxes or $.01 per share on both a basic and diluted basis) as a gain on bargain purchase. The gain on bargain purchase was included in "Other" in the company's consolidated statements of operations. Prior to recognizing the gain, the company reassessed the fair value of the assets acquired and liabilities assumed in the acquisition. The company believes it was able to acquire Nu Horizons for less than the fair value of its net assets due to Nu Horizons' stock trading below its book value for an extended period of time prior to the announcement of the acquisition. The company offered a purchase price per share for Nu Horizons that was above the prevailing stock price thereby representing a premium to the shareholders. The acquisition of Nu Horizons by the company was approved by Nu Horizons' shareholders.

Since the dates of the acquisitions, Richardson RFPD and Nu Horizons' sales for the year ended December 31, 2011 of $876,817 were included in the company's consolidated results of operations.

The following table summarizes the allocation of the net consideration paid to the fair value of the assets acquired and liabilities assumed for the Richardson RFPD and Nu Horizons acquisitions:

Accounts receivable, net	$ 194,312
Inventories	169,881
Property, plant and equipment	11,278
Other assets	6,965
Identifiable intangible assets	90,900
Cost in excess of net assets of companies acquired	31,951
Accounts payable	(98,967)
Accrued expenses	(18,900)
Other liabilities	(4,080)
Noncontrolling interest	(3,239)
Fair value of net assets acquired	380,101
Gain on bargain purchase	(1,088)
Cash consideration paid, net of cash acquired	$ 379,013

In connection with the Richardson RFPD and Nu Horizons acquisitions, the company allocated the following amounts to identifiable intangible assets:

	Weighted-Average Life	
Customer relationships	8 years	$ 35,400
Trade names	indefinite	49,000
Other intangible assets	(a)	6,500
Total identifiable intangible assets		$ 90,900

(a) Consists of non-competition agreements and sales backlog with useful lives ranging from one to three years.

The cost in excess of net assets acquired related to the Richardson RFPD acquisition was recorded in the company's global components business segment. Substantially all of the intangible assets related to the Richardson RFPD acquisition are expected to be deductible for income tax purposes.

During 2011, the company completed six additional acquisitions for aggregate cash consideration of $153,555, net of cash acquired. The impact of these acquisitions was not material, individually or in the aggregate, to the company's consolidated financial position or results of operations.

The following table summarizes the company's unaudited consolidated results of operations for 2011 and 2010, as well as the unaudited pro forma consolidated results of operations of the company, as though the 2011 acquisitions occurred on January 1:

	For the Years Ended December 31,			
	2011		2010	
	As Reported	Pro Forma	As Reported	Pro Forma
Sales	$ 21,390,264	$ 21,573,260	$ 18,744,676	$ 20,082,596
Net income attributable to shareholders	598,810	603,243	479,630	497,415
Net income per share:				
Basic	$ 5.25	$ 5.29	$ 4.06	$ 4.22
Diluted	$ 5.17	$ 5.20	$ 4.01	$ 4.16

The unaudited pro forma consolidated results of operations do not purport to be indicative of the results obtained had these acquisitions occurred as of the beginning of 2011 and 2010, or of those results that may be obtained in the future. Additionally, the above table does not reflect any anticipated cost savings or cross-selling opportunities expected to result from these acquisitions.

2010 Acquisitions

On December 16, 2010, the company acquired all of the assets and operations of INT Holdings, LLC, doing business as Intechra ("Intechra"), for a purchase price of $101,085, which included $77 of cash acquired. With sales offices and processing centers in strategic locations throughout the United States and a global network of partnerships, Intechra provides fully customized electronics asset dispostion services to many Fortune 1000 customers throughout the world. Intechra's service offerings include compliance services, data security and destruction, risk management, redeployment, remarketing, lease return, logistics management, and environmentally responsible recycling of all types of information technology and has approximately 300 employees.

On September 8, 2010, the company acquired Shared Technologies Inc. ("Shared") for a purchase price of $252,825, which included $61,898 of debt paid at closing. Shared sells, installs, and maintains communications equipment in North America, including the latest in unified communications, voice and data technologies, contact center, network security, and traditional telephony and has approximately 1,000 employees.

On June 1, 2010, the company acquired PCG Parent Corp., doing business as Converge ("Converge"), for a purchase price of $138,363, which included cash acquired of $4,803 and $27,546 of debt paid at closing. Converge is a global provider of reverse logistics services. Converge has approximately 350 employees and offices in Singapore and Amsterdam, with support centers worldwide.

Since the dates of the acquisitions, Intechra, Shared, and Converge's sales for the year ended December 31, 2010 of $256,505 were included in the company's consolidated results of operations.

The cost in excess of net assets acquired related to the Intechra and Converge acquisitions was recorded in the company's global components business segment. The cost in excess of net assets acquired related to the Shared acquisition was recorded in the company's global ECS business segment. The intangible assets related to the Shared and Converge acquisitions are not expected to be deductible for income tax purposes while the intangible assets related to the Intechra acquisition are expected to be deductible for income tax purposes.

During 2010, the company completed five additional acquisitions for aggregate cash consideration of $96,634, net of cash acquired. The impact of these acquisitions was not material, individually or in the aggregate, to the company's consolidated financial position or results of operations.

The following table summarizes the company's unaudited consolidated results of operations for 2010 as well as the unaudited pro forma consolidated results of operations of the company, as though the 2010 acquisitions occurred on January 1, 2010:

	For the Year Ended December 31, 2010	
	As Reported	**Pro Forma**
Sales	$ 18,744,676	$ 19,326,092
Net income attributable to shareholders	479,630	491,688
Net income per share:		
Basic	$ 4.06	$ 4.17
Diluted	$ 4.01	$ 4.11

The unaudited pro forma consolidated results of operations does not purport to be indicative of the results obtained had these acquisitions occurred as of the beginning of 2010, or of those results that may be obtained in the future. Additionally, the above table does not reflect any anticipated cost savings or cross-selling opportunities expected to result from these acquisitions.

Other

During 2012 and 2010, the company made payments of $2,526 and $3,060, respectively, to increase its ownership interest in majority-owned subsidiaries. These payments were recorded as a reduction to capital in excess of par value, partially offset by the carrying value of the noncontrolling interest.

3. Cost in Excess of Net Assets of Companies Acquired and Intangible Assets, Net

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. The company tests goodwill and other indefinite-lived intangible assets for impairment annually as of the first day of the fourth quarter, or more frequently if indicators of potential impairment exist. As of the first day of the fourth quarters of 2012, 2011, and 2010, the company's annual impairment testing did not result in any indication of impairment.

Cost in excess of net assets of companies acquired, allocated to the company's business segments, is as follows:

	Global Components	Global ECS	Total
December 31, 2010 (a)	$ 670,871	$ 665,480	$ 1,336,351
Acquisitions	94,837	50,685	145,522
Other (primarily foreign currency translation)	(1,756)	(6,784)	(8,540)
December 31, 2011 (a)	763,952	709,381	1,473,333
Acquisitions	198,392	34,969	233,361
Other (primarily foreign currency translation)	(4,428)	9,437	5,009
December 31, 2012 (a)	$ 957,916	$ 753,787	$ 1,711,703

(a) The total carrying value of cost in excess of net assets of companies acquired for all periods in the table above is reflected net of $1,018,780 of accumulated impairment charges, of which $716,925 was recorded in the global components business segment and $301,855 was recorded in the global ECS business segment.

Intangible assets, net, are comprised of the following as of December 31, 2012:

	Weighted-Average Life	Gross Carrying Amount	Accumulated Amortization	Net
Trade names	indefinite	$ 179,000	$ —	$ 179,000
Customer relationships	11 years	325,509	(100,172)	225,337
Developed technology	5 years	11,154	(2,508)	8,646
Other intangible assets	(b)	2,761	(1,711)	1,050
		$ 518,424	$ (104,391)	$ 414,033

Intangible assets, net, are comprised of the following as of December 31, 2011:

	Weighted-Average Life	Gross Carrying Amount	Accumulated Amortization	Net
Trade names	indefinite	$ 179,000	$ —	$ 179,000
Customer relationships	11 years	267,729	(69,762)	197,967
Developed technology	6 years	11,029	(693)	10,336
Procurement agreement	5 years	12,000	(11,400)	600
Other intangible assets	(b)	14,573	(9,713)	4,860
		$ 484,331	$ (91,568)	$ 392,763

(b) Consists of non-competition agreements and sales backlog with useful lives ranging from one to three years.

Amortization expense related to identifiable intangible assets was $36,508, $35,359, and $21,132 for the years ended December 31, 2012, 2011, and 2010, respectively. Amortization expense for each of the years 2013 through 2017 is estimated to be approximately $36,165, $35,584, $35,207, $33,570, and $29,816, respectively.

4. Investments in Affiliated Companies

The company owns a 50% interest in several joint ventures with Marubun Corporation (collectively "Marubun/Arrow") and a 50% interest in Arrow Altech Holdings (Pty.) Ltd. ("Altech Industries"), a joint venture with Allied Technologies Limited. These investments are accounted for using the equity method.

The following table presents the company's investment in Marubun/Arrow and the company's investment and long-term note receivable in Altech Industries at December 31:

	2012	2011
Marubun/Arrow	$ 50,864	$ 45,626
Altech Industries	14,739	14,953
	$ 65,603	$ 60,579

The equity in earnings of affiliated companies for the years ended December 31 consists of the following:

	2012	2011	2010
Marubun/Arrow	$ 6,825	$ 5,338	$ 5,185
Altech Industries	1,287	1,398	1,184
	$ 8,112	$ 6,736	$ 6,369

Under the terms of various joint venture agreements, the company is required to pay its pro-rata share of the third party debt of the joint ventures in the event that the joint ventures are unable to meet their obligations. At December 31, 2012, the company's pro-rata share of this debt was approximately $2,900. The company believes that there is sufficient equity in the joint ventures to meet their obligations.

5. Accounts Receivable

Accounts receivable, net, consists of the following at December 31:

	2012	2011
Accounts receivable	$ 4,978,136	$ 4,530,242
Allowances for doubtful accounts	(54,238)	(48,125)
Accounts receivable, net	$ 4,923,898	$ 4,482,117

The company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The allowances for doubtful accounts are determined using a combination of factors, including the length of time the receivables are outstanding, the current business environment, and historical experience.

6. Debt

Short-term borrowings, including current portion of long-term debt, consists of the following at December 31:

	2012	2011
6.875% senior notes, due 2013	$ 335,384	$ —
Short-term borrowings in various countries	28,973	33,843
	$ 364,357	$ 33,843

Short-term borrowings in various countries are primarily utilized to support the working capital requirements of certain international operations. The weighted-average interest rates on these borrowings at December 31, 2012 and 2011 were 4.6% and 3.6%, respectively.

Long-term debt consists of the following at December 31:

	2012	2011
Revolving credit facility	$ 123,600	$ 74,000
Asset securitization program	225,000	280,000
6.875% senior notes, due 2013	—	341,937
3.375% notes, due 2015	257,732	260,461
6.875% senior debentures, due 2018	198,869	198,660
6.00% notes, due 2020	299,936	299,927
5.125% notes, due 2021	249,356	249,278
7.5% senior debentures, due 2027	198,030	197,890
Other obligations with various interest rates and due dates	34,955	25,670
	$ 1,587,478	$ 1,927,823

The 7.5% senior debentures are not redeemable prior to their maturity. The 6.875% senior notes, 3.375% notes, 6.875% senior debentures, 6.00% notes, and 5.125% notes may be called at the option of the company subject to "make whole" clauses.

The estimated fair market value at December 31, using quoted market prices, is as follows:

	2012	2011
6.875% senior notes, due 2013	$ 342,000	$ 352,000
3.375% notes, due 2015	260,000	250,000
6.875% senior debentures, due 2018	236,000	216,000
6.00% notes, due 2020	342,000	315,000
5.125% notes, due 2021	272,500	247,500
7.5% senior debentures, due 2027	246,000	244,000

The carrying amount of the company's short-term borrowings in various countries, revolving credit facility, asset securitization program, and other obligations approximate their fair value.

The company has a $1,200,000 revolving credit facility, maturing in August 2016. This facility may be used by the company for general corporate purposes including working capital in the ordinary course of business, letters of credit, repayment, prepayment or purchase of long-term indebtedness and acquisitions, and as support for the company's commercial paper program, as applicable. Interest on borrowings under the revolving credit facility is calculated using a base rate or a euro currency rate plus a spread based on the company's credit ratings (1.275% at December 31, 2012), or an effective interest rate of 1.5% at December 31, 2012. The facility fee related to the revolving credit facility is .225%.

The company had outstanding borrowings under the revolving credit facility of $123,600 and $74,000 at December 31, 2012 and 2011, respectively.

The company has a $775,000 asset securitization program collateralized by accounts receivable of certain of its United States subsidiaries, maturing in December 2014. The asset securitization program is conducted through Arrow Electronics Funding Corporation ("AFC"), a wholly-owned, bankruptcy remote subsidiary. The asset securitization program does not qualify for sale treatment. Accordingly, the accounts receivable and related debt obligation remain on the company's consolidated balance sheets. Interest on borrowings is calculated using a base rate or a commercial paper rate plus a spread, which is based on the company's credit ratings (.40% at December 31, 2012), or an effective interest rate of .73% at December 31, 2012. The facility fee is .40%.

At December 31, 2012 and 2011, the company had $225,000 and $280,000, respectively, in outstanding borrowings under the asset securitization program, which was included in "Long-term debt" in the company's consolidated balance sheets, and total collateralized accounts receivable of approximately $1,610,946 and $1,562,613, respectively, were held by AFC and were included in "Accounts receivable, net" in the company's consolidated balance sheets. Any accounts receivable held by AFC would likely not be available to other creditors of the company in the event of bankruptcy or insolvency proceedings before repayment of any outstanding borrowings under the asset securitization program.

Both the revolving credit facility and asset securitization program include terms and conditions that limit the incurrence of additional borrowings, limit the company's ability to pay cash dividends or repurchase stock, and require that certain financial ratios be maintained at designated levels. The company was in compliance with all covenants as of December 31, 2012 and is currently not aware of any events that would cause non-compliance with any covenants in the future.

Annual payments of borrowings during each of the years 2013 through 2017 are $364,357, $253,457, $261,977, $125,784, and $69, respectively, and $946,191 for all years thereafter.

During 2011, the company repaid its $200,000 bank term loan which was due in January 2012.

During 2011, the company repurchased $17,893 principal amount of its 6.875% senior notes due in 2013. The related loss on the repurchase aggregated $895 ($549 net of related taxes) and was recognized as a loss on prepayment of debt which was included in "Other" in the company's consolidated statements of operations.

During 2010, the company sold a property and was required to repay the related collateralized debt with a face amount of $9,000. For 2010, the company recognized a loss on prepayment of debt of $1,570 ($964 net of related taxes or $.01 per share on both a basic and diluted basis) which was included in "Other" in the company's consolidated statements of operations.

During 2010, the company completed the sale of $250,000 principal amount of 3.375% notes due in 2015 and $250,000 principal amount of 5.125% notes due in 2021. The net proceeds of the offering of $494,325 were used for general corporate purposes.

During 2010, the company repaid the remaining $69,545 principal amount of its 9.15% senior notes upon maturity.

Interest and other financing expense, net, includes interest and dividend income of $5,779, $6,113, and $5,052 in 2012, 2011, and 2010, respectively. Interest paid, net of interest and dividend income, amounted to $113,628, $104,340, and $80,686 in 2012, 2011, and 2010, respectively.

7. Financial Instruments Measured at Fair Value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The company utilizes a fair value hierarchy, which maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The fair value hierarchy has three levels of inputs that may be used to measure fair value:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

The following table presents assets (liabilities) measured at fair value on a recurring basis at December 31, 2012:

	Level 1	Level 2	Level 3	Total
Available-for-sale securities	$ 67,903	$ —	$ —	$ 67,903
Interest rate swaps	—	(10,832)	—	(10,832)
Foreign exchange contracts	—	(107)	—	(107)
Contingent consideration	—	—	(806)	(806)
	$ 67,903	$ (10,939)	$ (806)	$ 56,158

The following table presents assets (liabilities) measured at fair value on a recurring basis at December 31, 2011:

	Level 1	Level 2	Level 3	Total
Available-for-sale securities	$ 60,820	$ —	$ —	$ 60,820
Interest rate swaps	—	(3,009)	—	(3,009)
Foreign exchange contracts	—	(649)	—	(649)
	$ 60,820	$ (3,658)	$ —	$ 57,162

The following table summarizes the Level 3 activity for the year-ended December 31, 2012:

Balance as of December 31, 2011	$ —
Fair value of initial contingent consideration	(10,390)
Change in fair value of contingent consideration included in earnings	9,584
Balance as of December 31, 2012	(806)

The change in the fair value of contingent consideration is included in "Restructuring, integration, and other charges," in the company's consolidated statements of operations.

During 2012, 2011, and 2010 there were no transfers of assets (liabilities) measured at fair value between the three levels of the fair value hierarchy.

Available-For-Sale Securities

The company has a 1.9% equity ownership interest in WPG Holdings Co., Ltd. ("WPG"), an 8.4% equity ownership interest in Marubun Corporation ("Marubun"), and a portfolio of mutual funds with quoted market prices, all of which are accounted for as available-for-sale securities.

The fair value of the company's available-for-sale securities is as follows at December 31:

	2012		
	Marubun	WPG	Mutual Funds
Cost basis	$ 10,016	$ 10,798	$ 15,271
Unrealized holding gain (loss)	85	29,784	1,949
Fair value	$ 10,101	$ 40,582	$ 17,220

	2011		
	Marubun	WPG	Mutual Funds
Cost basis	$ 10,016	$ 10,798	$ 15,271
Unrealized holding gain (loss)	(371)	24,978	128
Fair value	$ 9,645	$ 35,776	$ 15,399

The fair values of these investments are included in "Other assets" in the company's consolidated balance sheets, and the related unrealized holding gains or losses are included in "Other" in the shareholders' equity section in the company's consolidated balance sheets.

Derivative Instruments

The company uses various financial instruments, including derivative instruments, for purposes other than trading. Certain derivative instruments are designated at inception as hedges and measured for effectiveness both at inception and on an ongoing basis. Derivative instruments not designated as hedges are marked-to-market each reporting period with any unrealized gains or losses recognized in earnings.

The fair values of derivative instruments in the consolidated balance sheets are as follows at December 31:

	Asset (Liability) Derivatives		
		Fair Value	
	Balance Sheet Location	2012	2011
Derivative instruments designated as hedges:			
Interest rate swaps designated as cash flow hedges	Accrued expenses	$ (10,832)	$ —
Interest rate swaps designated as cash flow hedges	Other liabilities	—	(3,009)
Foreign exchange contracts designated as cash flow hedges	Other current assets	433	73
Foreign exchange contracts designated as cash flow hedges	Accrued expenses	(45)	(641)
Total derivative instruments designated as hedging instruments		(10,444)	(3,577)
Derivative instruments not designated as hedges:			
Foreign exchange contracts	Other current assets	1,561	2,218
Foreign exchange contracts	Accrued expenses	(2,056)	(2,299)
Total derivative instruments not designated as hedging instruments		(495)	(81)
		$ (10,939)	$ (3,658)

The effect of derivative instruments on the consolidated statements of operations is as follows for the years ended December 31:

	Gain (Loss) Recognized in Income		
	2012	2011	2010
Derivative instruments not designated as hedges:			
Foreign exchange contracts (a)	$ (3,777)	$ (3,633)	$ 1,938

	Cash Flow Hedges		Net Investment Hedges
	Interest Rate Swaps (b)	**Foreign Exchange Contracts** (c)	**Cross-Currency Swaps** (b)
2012			
Effective portion:			
Gain (loss) recognized in other comprehensive income	$ (7,823)	$ 1,012	$ —
Gain (loss) reclassified into income	$ —	$ (54)	$ —
Ineffective portion:			
Gain (loss) recognized in income	$ —	$ —	$ —
2011			
Effective portion:			
Gain (loss) recognized in other comprehensive income	$ (3,009)	$ (711)	$ —
Gain (loss) reclassified into income	$ —	$ 53	$ —
Ineffective portion:			
Gain (loss) recognized in income	$ —	$ —	$ —
2010			
Effective portion:			
Gain (loss) recognized in other comprehensive income	$ —	$ 73	$ 52,158
Gain (loss) reclassified into income	$ —	$ (108)	$ —
Ineffective portion:			
Gain (loss) recognized in income	$ —	$ —	$ (91)

(a) The amount of gain (loss) recognized in income on derivatives is recorded in "Cost of sales" in the company's consolidated statements of operations.

(b) Both the effective and ineffective portions of any gain (loss) reclassified or recognized in income are recorded in "Interest and other financing expense, net" in the company's consolidated statements of operations.

(c) Both the effective and ineffective portions of any gain (loss) reclassified or recognized in income are recorded in "Cost of sales" in the company's consolidated statements of operations.

Interest Rate Swaps

The company enters into interest rate swap transactions that convert certain fixed-rate debt to variable-rate debt or variable-rate debt to fixed-rate debt in order to manage its targeted mix of fixed- and floating-rate debt. The company uses the hypothetical derivative method to assess the effectiveness of its interest rate swaps on a quarterly basis. The effective portion of the change in the fair value of interest rate swaps designated as fair value hedges is recorded as a change to the carrying value of the related hedged debt, and the effective portion of the change in fair value of interest rate swaps designated as cash flow hedges is recorded in the shareholders' equity section in the company's consolidated balance sheets in "Other." The ineffective portion of the interest rate swap, if any, is recorded in "Interest and other financing expense, net" in the company's consolidated statements of operations.

In September 2011, the company entered into a ten-year forward-starting interest rate swap (the "2011 swap") locking in a treasury rate of 2.63% with an aggregate notional amount of $175,000. This swap manages the risk associated with changes in treasury rates and the impact of future interest payments. The 2011 swap relates to the interest payments for anticipated debt issuances. Such anticipated debt issuances are expected to replace the outstanding debt maturing in July 2013. The 2011 swap is classified as a cash flow hedge and had a negative fair value of $10,832 and $3,009 at December 31, 2012 and 2011, respectively.

In December 2010, the company entered into interest rate swaps, with an aggregate notional amount of $250,000. The swaps modified the company's interest rate exposure by effectively converting the fixed 3.375% notes due in November 2015 to a floating rate, based on the three-month U.S. dollar LIBOR plus a spread, through its maturity. In September 2011, these interest rate swap agreements were terminated for proceeds of $11,856, net of accrued interest. The proceeds of the swap terminations, less accrued interest, were reflected as a premium to the underlying debt and are being amortized as a reduction to interest expense over the remaining term of the underlying debt.

In June 2004 and November 2009, the company entered into interest rate swaps, with an aggregate notional amount of $275,000. The swaps modified the company's interest rate exposure by effectively converting a portion of the fixed 6.875% senior notes due in July 2013 to a floating rate, based on the six-month U.S. dollar LIBOR plus a spread, through its maturity. In September 2011, these interest rate swap agreements were terminated for proceeds of $12,203, net of accrued interest. The proceeds of the swap terminations, less accrued interest, were reflected as a premium to the underlying debt and are being amortized as a reduction to interest expense over the remaining term of the underlying debt.

Cross-Currency Swaps

The company occasionally enters into cross-currency swaps to hedge a portion of its net investment in euro-denominated net assets. The company’s cross-currency swaps are derivatives designated as net investment hedges. The effective portion of the change in the fair value of derivatives designated as net investment hedges is recorded in "Foreign currency translation adjustment" included in the company's consolidated balance sheets and any ineffective portion is recorded in "Interest and other financing expense, net" in the company's consolidated statements of operations. As the notional amounts of the company’s cross-currency swaps are expected to equal a comparable amount of hedged net assets, no material ineffectiveness is expected. The company uses the hypothetical derivative method to assess the effectiveness of its net investment hedges on a quarterly basis.

In May 2006, the company entered into a cross-currency swap, with a maturity date of July 2011, for approximately $100,000 or €78,281. In October 2005, the company entered into a cross-currency swap, with a maturity date of October 2010, for approximately $200,000 or €168,384. These cross-currency swaps hedged a portion of the company's net investment in euro-denominated net assets, by effectively converting the interest expense on $300,000 of long-term debt from U.S. dollars to euros. During 2010, the company paid $2,282, plus accrued interest, to terminate these cross-currency swaps.

Foreign Exchange Contracts

The company enters into foreign exchange forward, option, or swap contracts (collectively, the "foreign exchange contracts") to mitigate the impact of changes in foreign currency exchange rates. These contracts are executed to facilitate the hedging of foreign currency exposures resulting from inventory purchases and sales and generally have terms of no more than six months. Gains or losses on these contracts are deferred and recognized when the underlying future purchase or sale is recognized or when the corresponding asset or liability is revalued. The company does not enter into foreign exchange contracts for trading purposes. The risk of loss on a foreign exchange contract is the risk of nonperformance by the counterparties, which the company minimizes by limiting its counterparties to major financial institutions. The fair value of the foreign exchange contracts are estimated using market quotes. The notional amount of the foreign exchange contracts at December 31, 2012 and 2011 was $425,053 and $332,881, respectively.

Contingent Consideration

In connection with one of the 2012 acquisitions, payment of a portion of the respective purchase price is contingent upon the achievement of certain operating results, with a maximum possible payout of $18,000 over a three-year period. The company estimated the fair value of the contingent consideration as the present value of the expected contingent payments, determined using the weighted probabilities of the possible payments. The company reassesses the fair value of the contingent consideration on a quarterly basis. Contingent consideration of $806 is included "Other liabilities" in the company's consolidated balance sheets as of December 31, 2012. A 20 percent increase or decrease in projected operating performance over the remaining performance period would not result in a material change in the fair value of the contingent consideration recorded as of December 31, 2012.

Other

The carrying amount of cash and cash equivalents, accounts receivable, net, and accounts payable approximate their fair value due to the short maturities of these financial instruments.

8. Income Taxes

The provision for income taxes for the years ended December 31 consists of the following:

	2012	2011	2010
Current			
Federal	$ 134,276	$ 113,937	$ 88,302
State	22,072	19,416	13,482
International	52,708	88,509	80,461
	209,056	221,862	182,245
Deferred			
Federal	9,690	25,729	12,143
State	2,572	3,328	4,153
International	(17,676)	(40,434)	837
	(5,414)	(11,377)	17,133
	$ 203,642	$ 210,485	$ 199,378

The principal causes of the difference between the U.S. federal statutory tax rate of 35% and effective income tax rates for the years ended December 31 are as follows:

	2012	2011	2010
United States	$ 441,526	$ 405,508	$ 313,127
International	268,833	404,293	365,876
Income before income taxes	$ 710,359	$ 809,801	$ 679,003
Provision at statutory tax rate	$ 248,626	$ 283,430	$ 237,651
State taxes, net of federal benefit	16,019	14,784	11,463
International effective tax rate differential	(43,008)	(48,785)	(61,868)
Change in valuation allowance	(6,266)	(49,826)	11,945
Other non-deductible expenses	2,764	4,744	4,040
Changes in tax accruals	(10,613)	12,437	(2,145)
Other	(3,880)	(6,299)	(1,708)
Provision for income taxes	$ 203,642	$ 210,485	$ 199,378

In 2011, the company recorded a net reduction in the provision for income taxes of $28,928 ($.25 per share on both a basic and diluted basis) principally due to a reversal of a valuation allowance on certain deferred tax assets as a result of a realignment of the company's international business operations.

In 2010, the company recorded a net reduction in the provision for income taxes of $9,404 ($.08 per share on a basic and diluted basis) and a reduction in interest expense of $3,840 ($2,312 net of related taxes or $.02 per share on both a basic and diluted basis) primarily related to the settlement of certain tax matters covering multiple years.

At December 31, 2012, the company had a liability for unrecognized tax benefits of $46,980 (substantially all of which, if recognized, would favorably affect the company's effective tax rate), of which approximately $1,000 is expected to be paid over the next twelve months. The company does not believe there will be any other material changes in its unrecognized tax positions over the next twelve months.

A reconciliation of the beginning and ending amount of unrecognized tax benefits for the years ended December 31 is as follows:

	2012	2011	2010
Balance at beginning of year	$ 63,498	$ 66,110	$ 68,833
Additions based on tax positions taken during a prior period	448	10,850	14,067
Reductions based on tax positions taken during a prior period	(11,824)	(2,389)	(20,273)
Additions based on tax positions taken during the current period	8,014	7,602	5,835
Reductions related to settlement of tax matters	(8,288)	(12,879)	(65)
Reductions related to a lapse of applicable statute of limitations	(4,868)	(5,796)	(2,287)
Balance at end of year	$ 46,980	$ 63,498	$ 66,110

Interest costs related to unrecognized tax benefits are classified as a component of "Interest and other financing expense, net" in the company's consolidated statements of operations. In 2012, 2011, and 2010 the company recognized $18, $2,068, and $(1,599), respectively, of interest expense (income) related to unrecognized tax benefits. At December 31, 2012 and 2011, the company had a liability for the payment of interest of $10,599 and $13,411, respectively, related to unrecognized tax benefits.

In many cases the company's uncertain tax positions are related to tax years that remain subject to examination by tax authorities. The following describes the open tax years, by major tax jurisdiction, as of December 31, 2012:

United States - Federal	2010 - present
United States - States	2005 - present
Germany (a)	2010 - present
Hong Kong	2006 - present
Italy (a)	2008 - present
Sweden	2006 - present
United Kingdom	2010 - present

(a) Includes federal as well as local jurisdictions.

Deferred income taxes are provided for the effects of temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated balance sheets. These temporary differences result in taxable or deductible amounts in future years.

The significant components of the company's deferred tax assets and liabilities, included primarily in "Other current assets," "Other assets," "Accrued expenses," and "Other liabilities" in the company's consolidated balance sheets, consist of the following at December 31:

	2012	2011
Deferred tax assets:		
Net operating loss carryforwards	$ 95,960	$ 79,317
Inventory adjustments	45,201	39,595
Allowance for doubtful accounts	17,008	14,401
Accrued expenses	56,222	61,589
Interest carryforward	46,876	52,606
Stock-based compensation awards	14,266	12,330
Other comprehensive income items	15,055	12,475
Other	3,381	—
	293,969	272,313
Valuation allowance	(24,409)	(30,675)
Total deferred tax assets	$ 269,560	$ 241,638
Deferred tax liabilities:		
Goodwill	$ (31,107)	$ (9,060)
Depreciation	(61,896)	(57,346)
Intangible assets	(61,690)	(60,100)
Other	—	(1,916)
Total deferred tax liabilities	$ (154,693)	$ (128,422)
Total net deferred tax assets	$ 114,867	$ 113,216

At December 31, 2012, the company had international tax loss carryforwards of approximately $226,283, of which $54,108 have expiration dates ranging from 2013 and 2032, and the remaining $172,175 have no expiration date. Deferred tax assets related to these international tax loss carryforwards were $65,128 with a corresponding valuation allowance of $18,370.

The company also has Federal net operating loss carryforwards of approximately $79,596 at December 31, 2012 which relate to recently acquired subsidiaries. These Federal net operating losses expire in various years beginning after 2020. The company has an agreement with the sellers of an acquired business to reimburse them for the company's utilization of approximately $72,155 of these Federal net operating loss carryforwards.

Valuation allowances reflect the deferred tax benefits that management is uncertain of the ability to utilize in the future.

Cumulative undistributed earnings of international subsidiaries were $2,716,769 at December 31, 2012. No deferred Federal income taxes were provided for the undistributed earnings as they are permanently reinvested in the company's international operations.

Income taxes paid, net of income taxes refunded, amounted to $179,408, $236,872, and $125,903 in 2012, 2011, and 2010, respectively.

9. Restructuring, Integration, and Other Charges

In 2012, 2011, and 2010, the company recorded restructuring, integration, and other charges of $47,437 ($30,739 net of related taxes or $.28 per share on both a basic and diluted basis), $37,811 ($28,054 net of related taxes or $.25 and $.24 per share on a basic and diluted basis, respectively), and $ 33,494 ($24,605 net of related taxes or $.21 per share on both a basic and diluted basis), respectively.

The following table presents the components of the restructuring, integration, and other charges for the years ended December 31, 2012, 2011, and 2010:

	2012	2011	2010
Restructuring charges - current period actions	$ 43,333	$ 23,818	$ 21,641
Restructuring and integration charges (credits) - actions taken in prior periods	1,387	(689)	(559)
Acquisition-related expenses	2,717	14,682	12,412
	$ 47,437	$ 37,811	$ 33,494

2012 Restructuring Charge

The following table presents the components of the 2012 restructuring charge of $43,333 and activity in the related restructuring accrual for 2012:

	Personnel Costs	Facilities	Asset Write-Downs	Total
Restructuring charge	$ 31,318	$ 5,416	$ 6,599	$ 43,333
Payments	(20,983)	(998)	—	(21,981)
Non-cash usage	—	—	(6,599)	(6,599)
Foreign currency translation	166	24	—	190
December 31, 2012	$ 10,501	$ 4,442	$ —	$ 14,943

The restructuring charge of $43,333 in 2012 primarily includes personnel costs of $31,318, facilities costs of $5,416, and asset write-downs of $6,599. The personnel costs are related to the elimination of approximately 505 positions within the global components business segment and approximately 360 positions within the global ECS business segment. The facilities costs are related to exit activities for 14 vacated facilities worldwide due to the company's continued efforts to streamline its operations and reduce real estate costs. The asset write-downs resulted from the company's decision to exit certain business activities which caused these assets to become redundant and have no future benefit. These restructuring initiatives are due to the company's continued efforts to lower cost and drive operational efficiency.

2011 Restructuring Charge

The following table presents the components of the 2011 restructuring charge of $23,818 and activity in the related restructuring accrual for 2011 and 2012:

	Personnel Costs	Facilities	Other	Total
Restructuring charge	$ 17,474	$ 5,387	$ 957	$ 23,818
Payments	(11,830)	(2,213)	(957)	(15,000)
Foreign currency translation	(127)	16	—	(111)
December 31, 2011	5,517	3,190	—	8,707
Restructuring charge	2,413	423	—	2,836
Payments	(6,883)	(1,938)	—	(8,821)
Foreign currency translation	(38)	7	—	(31)
December 31, 2012	$ 1,009	$ 1,682	$ —	$ 2,691

The restructuring charge of $23,818 in 2011 primarily includes personnel costs of $17,474 and facilities costs of $5,387. The personnel costs are related to the elimination of approximately 280 positions within the global components business segment and approximately 240 positions within the global ECS business segment. The facilities costs are related to exit activities for 18 vacated

facilities in the Americas and EMEA due to the company's continued efforts to streamline its operations and reduce real estate costs. These restructuring initiatives are due to the company's continued efforts to lower cost and drive operational efficiency, primarily related to the integration of recently acquired businesses.

2010 Restructuring Charge

The following table presents the components of the 2010 restructuring charge of $21,641 and activity in the related restructuring accrual for 2010, 2011, and 2012:

	Personnel Costs	Facilities	Other	Total
Restructuring charge	$ 14,711	$ 2,329	$ 4,601	$ 21,641
Payments	(12,583)	(1,019)	(3,049)	(16,651)
Non-cash usage	—	—	(657)	(657)
Foreign currency translation	(44)	12	79	47
December 31, 2010	2,084	1,322	974	4,380
Restructuring charge (credit)	15	757	(21)	751
Payments	(1,934)	(1,243)	(1,010)	(4,187)
Foreign currency translation	41	(15)	57	83
December 31, 2011	206	821	—	1,027
Restructuring charge	25	—	—	25
Payments	—	(425)	—	(425)
Foreign currency translation	8	—	—	8
December 31, 2012	$ 239	$ 396	$ —	$ 635

The restructuring charge of $21,641 in 2010 primarily includes personnel costs of $14,711 and facilities costs of $2,329. The personnel costs are related to the elimination of approximately 180 positions within the global ECS business segment and approximately 100 positions within the global components business segment. The facilities costs are related to exit activities for 7 vacated facilities in the Americas and EMEA due to the company's continued efforts to streamline its operations and reduce real estate costs. These restructuring initiatives are due to the company's continued efforts to lower cost and drive operational efficiency.

Restructuring and Integration Accruals Related to Actions Taken Prior to 2010

The following table presents the activity in the restructuring and integration accruals during 2010, 2011, and 2012 related to restructuring and integration actions taken prior to 2010:

	Personnel Costs	Facilities	Other	Total
December 31, 2009	$ 27,108	$ 12,963	$ 2,046	$ 42,117
Restructuring and integration charges (credits)	2,142	(2,389)	(312)	(559)
Payments	(25,597)	(3,132)	(201)	(28,930)
Non-cash usage	—	(582)	(104)	(686)
Foreign currency translation	(1,633)	(623)	(19)	(2,275)
December 31, 2010	2,020	6,237	1,410	9,667
Restructuring and integration credits	(714)	(625)	(101)	(1,440)
Payments	(1,006)	(2,611)	—	(3,617)
Foreign currency translation	5	60	—	65
December 31, 2011	305	3,061	1,309	4,675
Restructuring and integration credits	(82)	(83)	(1,309)	(1,474)
Payments	(67)	(1,249)	—	(1,316)
Foreign currency translation	4	56	—	60
December 31, 2012	$ 160	$ 1,785	$ —	$ 1,945

Restructuring and Integration Accrual Summary

In summary, the restructuring and integration accruals aggregate $20,214 at December 31, 2012, all of which is expected to be spent in cash, and are expected to be utilized as follows:

- The accruals for personnel costs totaling $11,909 to cover the termination of personnel are primarily expected to be spent within one year.
- The accruals for facilities totaling $8,305 relate to vacated leased properties that have scheduled payments of $5,486 in 2013, $1,460 in 2014, $784 in 2015, $367 in 2016, and $208 in 2017.

Acquisition-Related Expenses

Included in restructuring, integration, and other charges for 2012 are acquisition-related expenses of $12,301 primarily consisting of professional fees and other costs directly related to recent acquisition activity, net of adjustments for contingent consideration of $9,584 (see Note 7).

Included in restructuring, integration, and other charges for 2011 and 2010 are acquisition-related expenses of $14,682 and $12,412, respectively, primarily consisting of professional fees and other costs directly related to recent acquisition activity.

10. Shareholders' Equity

The following table sets forth the activity in the number of shares outstanding (in thousands):

	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Common stock outstanding at December 31, 2009	125,287	5,459	119,828
Shares issued for stock-based compensation awards	50	(1,070)	1,120
Repurchases of common stock	—	6,301	(6,301)
Common stock outstanding at December 31, 2010	125,337	10,690	114,647
Shares issued for stock-based compensation awards	45	(2,662)	2,707
Repurchases of common stock	—	5,540	(5,540)
Common stock outstanding at December 31, 2011	125,382	13,568	111,814
Shares issued for stock-based compensation awards	42	(1,326)	1,368
Repurchases of common stock	—	7,181	(7,181)
Common stock outstanding at December 31, 2012	125,424	19,423	106,001

The company has 2,000,000 authorized shares of serial preferred stock with a par value of one dollar. There were no shares of serial preferred stock outstanding at December 31, 2012 and 2011.

Share-Repurchase Program

In June 2012, the company's Board of Directors approved the repurchase of up to $200,000 of the company's common stock through a share-repurchase program. As of December 31, 2012, the company repurchased 2,922,822 shares under this program with a market value of $102,285 at the dates of repurchase.

11. Net Income Per Share

The following table sets forth the computation of net income per share on a basic and diluted basis for the years ended December 31 (shares in thousands):

	2012	2011	2010
Net income attributable to shareholders	$ 506,332	$ 598,810	$ 479,630
Weighted-average shares outstanding - basic	109,240	114,025	117,997
Net effect of various dilutive stock-based compensation awards	1,837	1,907	1,580
Weighted-average shares outstanding - diluted	111,077	115,932	119,577
Net income per share:			
Basic	$ 4.64	$ 5.25	$ 4.06
Diluted (a)	$ 4.56	$ 5.17	$ 4.01

(a) Stock-based compensation awards for the issuance of 1,424 shares, 1,051 shares, and 3,257 shares for the years ended December 31, 2012, 2011, and 2010, respectively, were excluded from the computation of net income per share on a diluted basis as their effect is anti-dilutive.

12. Employee Stock Plans

Omnibus Plan

The company maintains the Arrow Electronics, Inc. 2004 Omnibus Incentive Plan (the "Omnibus Plan"), which replaced the Arrow Electronics, Inc. Stock Option Plan, the Arrow Electronics, Inc. Restricted Stock Plan, the 2002 Non-Employee Directors Stock

Option Plan, the Non-Employee Directors Deferral Plan, and the 1999 CEO Bonus Plan (collectively, the "Prior Plans"). The Omnibus Plan broadens the array of equity alternatives available to the company when designing compensation incentives. The Omnibus Plan permits the grant of cash-based awards, non-qualified stock options, incentive stock options ("ISOs"), stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, covered employee annual incentive awards, and other stock-based awards. The Compensation Committee of the company's Board of Directors (the "Compensation Committee") determines the vesting requirements, termination provision, and the terms of the award for any awards under the Omnibus Plan when such awards are issued.

Under the terms of the Omnibus Plan, a maximum of 21,800,000 shares of common stock may be awarded, subject to adjustment. There were 5,982,119 and 7,602,876 shares available for grant under the Omnibus Plan as of December 31, 2012 and 2011, respectively. Shares currently subject to awards granted under the Prior Plans, which cease to be subject to such awards for any reason other than exercise for, or settlement in, shares will also be available under the Omnibus Plan. Generally, shares are counted against the authorization only to the extent that they are issued. Restricted stock, restricted stock units, performance shares, and performance units count against the authorization at a rate of 1.69 to 1.

After adoption of the Omnibus Plan, there were no additional awards made under any of the Prior Plans, though awards previously granted under the Prior Plans will survive according to their terms.

Stock Options

Under the Omnibus Plan, the company may grant both ISOs and non-qualified stock options. ISOs may only be granted to employees of the company, its subsidiaries, and its affiliates. The exercise price for options cannot be less than the fair market value of Arrow's common stock on the date of grant. Options generally become exercisable in equal installments over a four-year period, except for stock options authorized for grant to non-employee directors, which become exercisable in equal installments over a two-year period. The company no longer uses stock options as a part of the compensation of non-employee directors. Options currently outstanding have terms of ten years.

The following information relates to the stock option activity for the year ended December 31, 2012:

	Shares	Weighted-Average Exercise Price	Weighted- Average Remaining Contractual Life	Aggregate Intrinsic Value
Outstanding at December 31, 2011	3,120,266	$ 30.61		
Granted	473,580	40.10		
Exercised	(523,879)	25.52		
Forfeited	(61,447)	33.68		
Outstanding at December 31, 2012	3,008,520	32.93	71 months	$ 16,935
Exercisable at December 31, 2012	1,844,749	32.16	54 months	$ 11,195

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between the company's closing stock price on the last trading day of 2012 and the exercise price, multiplied by the number of in-the-money options) received by the option holders had all option holders exercised their options on December 31, 2012. This amount changes based on the market value of the company's stock.

The total intrinsic value of options exercised during 2012, 2011, and 2010 was $7,675, $17,642, and $2,445, respectively.

Cash received from option exercises during 2012, 2011, and 2010 was $13,372, $46,665, and $8,057, respectively, and is included within the financing activities section in the company's consolidated statements of cash flows. The actual tax benefit realized from share-based payment awards during 2012, 2011, and 2010 was $11,842, $19,796, and $7,301, respectively.

The fair value of stock options was estimated using the Black-Scholes valuation model with the following weighted-average assumptions for the years ended December 31:

	2012	2011	2010
Volatility (percent) (a)	39	37	37
Expected term (in years) (b)	5.3	5.5	5.2
Risk-free interest rate (percent) (c)	1.0	2.4	2.4

(a) Volatility is measured using historical daily price changes of the company's common stock over the expected term of the option.
(b) The expected term represents the weighted-average period the option is expected to be outstanding and is based primarily on the historical exercise behavior of employees.
(c) The risk-free interest rate is based on the U.S. Treasury zero-coupon yield with a maturity that approximates the expected term of the option.

There is no expected dividend yield.

The weighted-average fair value per option granted was $15.20, $14.80, and $10.39 during 2012, 2011, and 2010, respectively.

Performance Awards

The Compensation Committee, subject to the terms and conditions of the Omnibus Plan, may grant performance share and/or performance unit awards (collectively "performance awards"). The fair value of a performance award is the fair market value of the company's common stock on the date of grant. Such awards will be earned only if performance goals over performance periods established by or under the direction of the Compensation Committee are met. The performance goals and periods may vary from participant-to-participant, group-to-group, and time-to-time. The performance awards will be delivered in common stock at the end of the service period based on the company's actual performance compared to the target metric and may be from 0% to 175% of the initial award. Compensation expense is recognized using the graded vesting method over the three-year service period and is adjusted each period based on the current estimate of performance compared to the target metric.

Restricted Stock

Subject to the terms and conditions of the Omnibus Plan, the Compensation Committee may grant shares of restricted stock and/or restricted stock units. Restricted stock units are similar to restricted stock except that no shares are actually awarded to the participant on the date of grant. Shares of restricted stock and/or restricted stock units awarded under the Omnibus Plan may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable period of restriction established by the Compensation Committee and specified in the award agreement (and in the case of restricted stock units until the date of delivery or other payment). Compensation expense is recognized on a straight-line basis as shares become free of forfeiture restrictions (i.e., vest) generally over a four-year period.

Non-Employee Director Awards

The company's Board shall set the amounts and types of equity awards that shall be granted to all non-employee directors on a periodic, nondiscriminatory basis pursuant to the Omnibus Plan, as well as any additional amounts, if any, to be awarded, also on a periodic, nondiscriminatory basis, based on each of the following: the number of committees of the Board on which a non-employee director serves, service of a non-employee director as the chair of a Committee of the Board, service of a non-employee director as Chairman of the Board or Lead Director, or the first selection or appointment of an individual to the Board as a non-employee director. Non-employee directors currently receive annual awards of fully-vested restricted stock units valued at $120. All restricted stock units are settled in common stock one year following the director's separation from the Board.

Unless a non-employee director gives notice setting forth a different percentage, 50% of each director's annual retainer fee is deferred and converted into units based on the fair market value of the company's stock as of the date it was payable. Upon a non-employee director's termination of Board service, each unit in their deferral account will be converted into a share of company stock and distributed to the non-employee director as soon as practicable following such date.

Summary of Non-Vested Shares

The following information summarizes the changes in non-vested performance shares, performance units, restricted stock, and restricted stock units for 2012:

	Shares	Weighted- Average Grant Date Fair Value
Non-vested shares at December 31, 2011	2,936,719	$ 27.76
Granted	865,146	39.82
Vested	(867,228)	23.78
Forfeited	(149,984)	31.26
Non-vested shares at December 31, 2012	2,784,653	32.56

The total fair value of shares vested during 2012, 2011, and 2010 was $34,593, $48,055, and $24,710, respectively.

As of December 31, 2012, there was $42,261 of total unrecognized compensation cost related to non-vested shares and stock options which is expected to be recognized over a weighted-average period of 2.2 years.

13. Employee Benefit Plans

Supplemental Executive Retirement Plans ("SERP")

The company maintains an unfunded Arrow SERP under which the company will pay supplemental pension benefits to certain employees upon retirement. There are 10 current and 16 former corporate officers participating in this plan. The Board determines those employees who are eligible to participate in the Arrow SERP.

The Arrow SERP, as amended, provides for the pension benefits to be based on a percentage of average final compensation, based on years of participation in the Arrow SERP. The Arrow SERP permits early retirement, with payments at a reduced rate, based on age and years of service subject to a minimum retirement age of 55. Participants whose accrued rights under the Arrow SERP, prior to the 2002 amendment, which were adversely affected by the amendment, will continue to be entitled to such greater rights.

The company acquired Wyle Electronics ("Wyle") in 2000. Wyle also sponsored an unfunded SERP for certain of its executives. Benefit accruals for the Wyle SERP were frozen as of December 31, 2000. There are 18 participants in this plan.

The company uses a December 31 measurement date for the Arrow SERP and the Wyle SERP. Pension information for the years ended December 31 is as follows:

	2012	2011
Accumulated benefit obligation	$ 69,690	$ 62,891
Changes in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 68,473	$ 61,559
Service cost (Arrow SERP)	2,064	1,525
Interest cost	3,302	3,308
Actuarial loss	9,273	5,602
Benefits paid	(3,680)	(3,521)
Projected benefit obligation at end of year	$ 79,432	$ 68,473
Funded status	$ (79,432)	$ (68,473)
Components of net periodic pension cost:		
Service cost (Arrow SERP)	$ 2,064	$ 1,525
Interest cost	3,302	3,308
Amortization of net loss	2,038	787
Amortization of prior service cost (Arrow SERP)	41	41
Net periodic pension cost	$ 7,445	$ 5,661
Weighted-average assumptions used to determine benefit obligation:		
Discount rate	4.00%	4.75%
Rate of compensation increase (Arrow SERP)	5.00%	5.00%
Weighted-average assumptions used to determine net periodic pension cost:		
Discount rate	4.75%	5.50%
Rate of compensation increase (Arrow SERP)	5.00%	5.00%

The amounts reported for net periodic pension cost and the respective benefit obligation amounts are dependent upon the actuarial assumptions used. The company reviews historical trends, future expectations, current market conditions, and external data to determine the assumptions. The discount rate represents the market rate for a high-quality corporate bond. The rate of compensation increase is determined by the company, based upon its long-term plans for such increases. The actuarial assumptions used to determine the net periodic pension cost are based upon the prior year's assumptions used to determine the benefit obligation.

Benefit payments are expected to be paid as follows:

2013	$ 3,992
2014	3,956
2015	3,915
2016	4,134
2017	4,079
2018-2022	28,124

Wyle Defined Benefit Plan

Wyle provided retirement benefits for certain employees under a defined benefit plan. Benefits under this plan were frozen as of December 31, 2000 and former participants were permitted to participate in the company's employee stock ownership and 401(k) plans. The company uses a December 31 measurement date for this plan. Pension information for the years ended December 31 is as follows:

	2012	2011
Accumulated benefit obligation	$ 128,772	$ 118,191
Changes in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 118,191	$ 108,335
Interest cost	5,442	5,767
Actuarial loss	10,808	9,630
Benefits paid	(5,670)	(5,541)
Projected benefit obligation at end of year	$ 128,771	$ 118,191
Changes in plan assets:		
Fair value of plan assets at beginning of year	$ 81,719	$ 80,362
Actual return on plan assets	11,477	(2,956)
Company contributions	5,450	9,854
Benefits paid	(5,670)	(5,541)
Fair value of plan assets at end of year	$ 92,976	$ 81,719
Funded status	$ (35,795)	$ (36,472)
Components of net periodic pension cost:		
Interest cost	$ 5,442	$ 5,767
Expected return on plan assets	(6,200)	(6,524)
Amortization of net loss	1,745	1,041
Net periodic pension cost	$ 987	$ 284
Weighted-average assumptions used to determine benefit obligation:		
Discount rate	4.00%	4.75%
Expected return on plan assets	7.25%	7.50%
Weighted-average assumptions used to determine net periodic pension cost:		
Discount rate	4.75%	5.50%
Expected return on plan assets	7.50%	8.00%

The amounts reported for net periodic pension cost and the respective benefit obligation amounts are dependent upon the actuarial assumptions used. The company reviews historical trends, future expectations, current market conditions, and external data to determine the assumptions. The discount rate represents the market rate for a high-quality corporate bond. The expected return on plan assets is based on current and expected asset allocations, historical trends, and projected returns on those assets. The actuarial assumptions used to determine the net periodic pension cost are based upon the prior year's assumptions used to determine the benefit obligation.

The company makes contributions to the plan so that minimum contribution requirements, as determined by government regulations, are met. The company made contributions of $5,450 and $9,854 in 2012 and 2011, respectively, and expects to make estimated contributions of $265 in 2013.

Benefit payments are expected to be paid as follows:

2013	$ 6,448
2014	6,546
2015	6,629
2016	6,823
2017	6,892
2018-2022	35,935

The fair values of the company's pension plan assets at December 31, 2012, utilizing the fair value hierarchy discussed in Note 7 are as follows:

	Level 1	Level 2	Level 3	Total
Cash Equivalents:				
Common collective trusts	$ —	$ 749	$ —	$ 749
Equities:				
U.S. common stocks	33,806	—	—	33,806
International mutual funds	12,714	—	—	12,714
Index mutual funds	12,674	—	—	12,674
Fixed Income:				
Mutual funds	30,374	—	—	30,374
Insurance contracts	—	2,659	—	2,659
Total	$ 89,568	$ 3,408	$ —	$ 92,976

The fair values of the company's pension plan assets at December 31, 2011, utilizing the fair value hierarchy discussed in Note 7 are as follows:

	Level 1	Level 2	Level 3	Total
Cash Equivalents:				
Common collective trusts	$ —	$ 1,058	$ —	$ 1,058
Equities:				
U.S. common stocks	28,102	—	—	28,102
International mutual funds	10,665	—	—	10,665
Index mutual funds	10,436	—	—	10,436
Fixed Income:				
Mutual funds	24,181	—	—	24,181
Insurance contracts	—	7,277	—	7,277
Total	$ 73,384	$ 8,335	$ —	$ 81,719

The investment portfolio contains a diversified blend of common stocks, bonds, cash equivalents, and other investments, which may reflect varying rates of return. The investments are further diversified within each asset classification. The portfolio diversification provides protection against a single security or class of securities having a disproportionate impact on aggregate performance. The long-term target allocations for plan assets are 65% in equities and 35% in fixed income, although the actual plan asset allocations may be within a range around these targets. The actual asset allocations are reviewed and rebalanced on a periodic basis to maintain the target allocations.

Comprehensive Income Items

In 2012, 2011, and 2010, actuarial (gains) losses of $9,120, $15,228, and $(368), respectively, were recognized in comprehensive income, net of related taxes, related to the company's defined benefit plans. In 2012, 2011, and 2010, the following amounts were recognized as a reclassification adjustment of comprehensive income, net of related taxes, as a result of being recognized in net periodic pension cost: transition obligation of $0, $0, and $18, respectively, prior service cost of $19, $19, and $43, respectively, and an actuarial loss of $2,311, $1,103, and $2,369, respectively.

Included in accumulated other comprehensive loss at December 31, 2012 and 2011 are the following amounts, net of related taxes, that have not yet been recognized in net periodic pension cost: unrecognized prior service costs of $25 and $44, respectively, and unrecognized actuarial losses of $47,053 and $40,243, respectively.

The prior service cost and actuarial loss included in accumulated other comprehensive loss, net of related taxes, which are expected to be recognized in net periodic pension cost for the year ended December 31, 2013 are $19 and $3,115, respectively.

Stock Ownership Plan

The company maintains a noncontributory employee stock ownership plan, which enables most United States employees to acquire shares of the company's common stock. Contributions, which are determined by the Board, are in the form of common stock or cash, which is used to purchase the company's common stock for the benefit of participating employees. Contributions to the plan in 2012 and 2011 were $5,966 and $5,222, respectively. The company did not make any contributions to the plan in 2010. Effective December 31, 2012, the plan was frozen to new participants and no further contributions will be made by the company on behalf of participants in the plan. The account balances of participants in the plan as of December 31, 2012 became fully vested.

Defined Contribution Plan

The company has defined contribution plans for eligible employees, which qualify under Section 401(k) of the Internal Revenue Code. The company's contribution to the plans, which are based on a specified percentage of employee contributions, amounted to $14,014, $10,063, and $8,870 in 2012, 2011, and 2010, respectively. In lieu of contributions to the employee stock ownership plan, the company intends to make discretionary contributions to the company's defined benefit 401(k) plan. Certain international subsidiaries maintain separate defined contribution plans for their employees and made contributions thereunder, which amounted to $23,990, $23,450, and $20,811 in 2012, 2011, and 2010, respectively.

14. Lease Commitments

The company leases certain office, distribution, and other property under non-cancelable operating leases expiring at various dates through 2023. Rental expense under non-cancelable operating leases, net of sublease income, amounted to $79,104, $74,882, and $60,286 in 2012, 2011, and 2010, respectively.

Aggregate minimum rental commitments under all non-cancelable operating leases, exclusive of real estate taxes, insurance, and leases related to facilities closed as a result of the integration of acquired businesses and the restructuring of the company, are as follows:

2013	$	67,680
2014		47,273
2015		34,651
2016		19,869
2017		12,875
Thereafter		17,293

15. Contingencies

2012 Settlement of Legal Matter

In connection with the purchase of Wyle from the VEBA Group ("VEBA") in August 2000, the company acquired certain of the then outstanding obligations of Wyle, including Wyle's 1994 indemnification obligations to the purchasers of its Wyle Laboratories division for environmental clean-up costs associated with any then existing contamination or violation of environmental regulations. Under the terms of the company's purchase of Wyle from VEBA, VEBA agreed to indemnify the company for certain costs associated with the Wyle environmental obligations, among other things. In 2000, VEBA merged with a publicly-traded German conglomerate; the combined entity is now known as E.ON SE ("E.ON"). The company is aware of two Wyle Laboratories facilities (in Huntsville, Alabama and Norco, California) at which contaminated groundwater was identified and will require environmental remediation. In addition, the company was named as a defendant in several lawsuits related to the Norco facility and a third site in El Segundo, California which have now been settled to the satisfaction of the parties.

In October 2005, the company filed suit against E.ON in the Frankfurt am Main Regional Court in Germany. The suit sought indemnification, contribution, and a declaration of the parties' respective rights and obligations in connection with environmental clean-up costs associated with the Huntsville and Norco sites and certain related litigation and other costs. The litigation was suspended in December 2009 while the parties engaged in a court-facilitated mediation and settlement discussions. As part of the mediation, E.ON filed a counter claim against the company for certain income tax-related liabilities.

During the fourth quarter of 2012, the company entered into a settlement agreement with E.ON and VEBA pursuant to which E.ON paid the company $110,000 and the company released E.ON and VEBA from their indemnification obligation for costs associated with environmental remediation and related litigation in connection with the company's acquisition of Wyle in August 2000. The settlement agreement also resolved claims for certain income tax related liabilities with respect to the Wyle acquisition. In connection with this settlement, the company has initially recorded a gain on the settlement of legal matters of $79,158 ($48,623 net of related taxes or $.45 and $.44 per share on a basic and diluted basis, respectively) representing the difference between the settlement amount and the amount receivable from E.ON for reimbursement of costs incurred to date by the company. As part of the settlement agreement the company accepted responsibility for any potential subsequent costs incurred related to the Wyle matters.

The company expects these environmental liabilities to be resolved over an extended period of time. Costs are recorded for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Accruals for environmental liabilities are adjusted periodically as facts and circumstances change, assessment and remediation efforts progress, or as additional technical or legal information becomes available. Environmental liabilities are difficult to assess and estimate due to various unknown factors such as the timing and extent of remediation, improvements in remediation technologies, and the extent to which environmental laws and regulations may change in the future. Accordingly the company cannot presently fully estimate the ultimate potential costs related to these sites until such time as a substantial portion of the investigation at the sites is completed and remedial action plans are developed and, in some instances implemented. To the extent that future environmental costs exceed amounts currently accrued by the company, net income would be adversely impacted and such impact could be material.

The company believes the settlement amount together with potential recoveries from various insurance policies covering environmental remediation and related litigation will be sufficient to cover any potential future costs related to the Wyle acquisition; however, it is possible unexpected costs beyond those anticipated could occur.

As part of the company's settlement agreement with E.ON and VEBA, the company retains the right to various Wyle insurance policies that covered liabilities arising out of operations at Norco and Huntsville and any future amounts recovered. The company has sued certain umbrella liability policy carriers because they have yet to make payment on claims filed by the company. These disputes generally relate to the umbrella liability policy carriers' proportional share of the total liability as opposed to the applicability of coverage. The resolution of these matters could likely take several years. With the exception of $4,375 for which a settlement was reached and the company is expecting payment in the first quarter of 2013, the company has not recorded a receivable for any potential future insurance recoveries related to the Norco and Huntsville environmental matters, as the realization of the claims for recovery are not deemed probable due to the on-going litigation.

Environmental Matters - Huntsville

Characterization of the extent of contaminated soil and groundwater continues at the site in Huntsville, Alabama. Under the direction of the Alabama Department of Environmental Management, approximately $4,000 was spent to date. The pace of the ongoing remedial investigations, project management, and regulatory oversight is likely to increase though the complete scope of the activities is not yet known, the company currently estimates additional investigative and related expenditures at the site of approximately $500 to $750. The nature and scope of both feasibility studies and subsequent remediation at the site has not yet been determined, but assuming the outcome includes source control and certain other measures, the cost is estimated to be between $3,000 and $4,000.

Despite the amount of work undertaken and planned to date, the company is unable to estimate any potential costs in addition to those discussed above because the complete scope of the work is not yet known, and, accordingly, the associated costs have yet to be determined.

Environmental Matters - Norco

In October 2003, the company entered into a consent decree with Wyle Laboratories and the California Department of Toxic Substance Control (the "DTSC") in connection with the Norco site. In April 2005, a Remedial Investigation Work Plan was approved by DTSC that provided for site-wide characterization of known and potential environmental issues. Investigations performed in connection with this work plan and a series of subsequent technical memoranda continued until the filing of a final Remedial Investigation Report early in 2008. The development of a final Remedial Action Work Plan is ongoing. Approximately $31,000 was expended to date on project management, regulatory oversight, and investigative and feasibility study activities. The company currently estimates that the additional cost of project management and regulatory oversight to be $200. Project management and regulatory oversight include costs incurred by project consultants for project management and costs billed by DTSC to provide regulatory oversight. Ongoing remedial investigations (including costs related to soil and groundwater investigations), and the preparation of a final remedial investigation report are projected to cost $200.

Work is under way pertaining to the remediation of contaminated groundwater at certain areas on the Norco site and of soil gas in a limited area immediately adjacent to the site. In 2008, a hydraulic containment system was installed to capture and treat groundwater before it moves into the adjacent offsite area. Approximately $12,000 was expended on remediation to date, and it is anticipated that these activities, along with the initial phases of the treatment of contaminated groundwater in the offsite area and remaining Remedial Action Work Plan costs, will give rise to an additional estimated $17,200 to $23,700.

Despite the amount of work undertaken and planned to date, the company is unable to estimate any potential costs in addition to those discussed above because the complete scope of the work under the consent decree is not yet known, and, accordingly, the associated costs have yet to be determined.

Accruals for environmental liabilities are included in "Accrued expenses" and "Other liabilities" in the company's consolidated balance sheets.

2011 Settlement of Legal Matter

During 2011, the company recorded a charge of $5,875 ($3,609 net of related taxes or $.03 per share on both a basic and diluted basis) in connection with the settlement of a legal matter, inclusive of related legal costs. This matter related to a customer dispute that originated in 1997. The company had successfully defended itself in a trial, but the verdict was subsequently overturned, in part, by an appellate court and remanded for a new trial. The company ultimately decided to settle this matter to avoid further legal expense and the burden on management's time that such a trial would entail.

Tekelec Matter

In 2000, the company purchased Tekelec Europe SA ("Tekelec") from Tekelec Airtronic SA and certain other selling shareholders. Subsequent to the closing of the acquisition, Tekelec received a product liability claim in the amount of €11,333. The product liability claim was the subject of a French legal proceeding started by the claimant in 2002, under which separate determinations were made as to whether the products that are subject to the claim were defective and the amount of damages sustained by the purchaser. The manufacturer of the products also participated in this proceeding. The claimant has commenced legal proceedings against Tekelec and its insurers to recover damages in the amount of €3,742 and expenses of €312 plus interest. In May 2012,

the French court ruled in favor of Tekelec and dismissed the plaintiff's claims. However, that decision has been appealed by the plaintiff. The company believes that any amount in addition to the amount accrued by the company would not materially adversely impact the company's consolidated financial position, liquidity, or results of operations.

Other

From time to time, in the normal course of business, the company may become liable with respect to other pending and threatened litigation, environmental, regulatory, labor, product, and tax matters. While such matters are subject to inherent uncertainties, it is not currently anticipated that any such matters will materially impact the company's consolidated financial position, liquidity, or results of operations.

16. Segment and Geographic Information

The company is a global provider of products, services, and solutions to industrial and commercial users of electronic components and enterprise computing solutions. The company distributes electronic components to original equipment manufacturers and contract manufacturers through its global components business segment and provides enterprise computing solutions to value-added resellers through its global ECS business segment. As a result of the company's philosophy of maximizing operating efficiencies through the centralization of certain functions, selected fixed assets and related depreciation, as well as borrowings, are not directly attributable to the individual operating segments and are included in the corporate business segment.

Sales and operating income (loss), by segment, for the years ended December 31 are as follows:

	2012	2011	2010
Sales:			
Global components	$ 13,361,122	$ 14,853,823	$ 13,168,381
Global ECS	7,044,006	6,536,441	5,576,295
Consolidated	$ 20,405,128	$ 21,390,264	$ 18,744,676
Operating income (loss):			
Global components	$ 619,282	$ 823,774	$ 715,333
Global ECS	290,970	262,893	191,489
Corporate (a)	(106,129)	(177,824)	(156,047)
Consolidated	$ 804,123	$ 908,843	$ 750,775

(a) Includes restructuring, integration, and other charges of $47,437, $37,811, and $33,494 in 2012, 2011, and 2010, respectively. Also included is a gain of $79,158 and a charge of $5,875 in 2012 and 2011, respectively, related to the settlement of legal matters.

Total assets, by segment, at December 31 are as follows:

	2012	2011
Global components	$ 6,467,123	$ 5,974,174
Global ECS	3,685,100	3,206,788
Corporate	633,464	648,117
Consolidated	$ 10,785,687	$ 9,829,079

Sales, by geographic area, for the years ended December 31 are as follows:

	2012	2011	2010
Americas (b)	$ 10,641,903	$ 10,576,106	$ 9,111,557
EMEA	5,927,231	6,889,479	5,633,508
Asia/Pacific	3,835,994	3,924,679	3,999,611
Consolidated	$ 20,405,128	$ 21,390,264	$ 18,744,676

(b) Includes sales related to the United States of $9,746,612, $9,706,593, and $8,254,191 in 2012, 2011, and 2010, respectively.

Net property, plant and equipment, by geographic area, is as follows:

	2012	2011
Americas (c)	$ 512,775	$ 479,420
EMEA	65,947	56,552
Asia/Pacific	20,919	20,257
Consolidated	$ 599,641	$ 556,229

(c) Includes net property, plant and equipment related to the United States of $511,555 and $478,376 at December 31, 2012 and 2011, respectively.

17. Quarterly Financial Data (Unaudited)

A summary of the company's consolidated quarterly results of operations is as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2012				
Sales	$ 4,889,529	$ 5,150,563	$ 4,962,331	$ 5,402,705
Gross profit	680,579	687,144	662,719	706,844
Net income attributable to shareholders	113,628 (b)	114,383 (c)	103,617 (d)	174,704 (e)
Net income per share (a):				
Basic	$ 1.01 (b)	$ 1.04 (c)	$ .96 (d)	$ 1.64 (e)
Diluted	$ 1.00 (b)	$ 1.02 (c)	$ .94 (d)	$ 1.62 (e)
2011				
Sales	$ 5,223,003	$ 5,539,931	$ 5,186,857	$ 5,440,473
Gross profit	722,508	770,147	711,139	744,809
Net income attributable to shareholders	136,309 (f)	156,197 (g)	132,216 (h)	174,088 (i)
Net income per share (a):				
Basic	$ 1.18 (f)	$ 1.35 (g)	$ 1.17 (h)	$ 1.55 (i)
Diluted	$ 1.16 (f)	$ 1.33 (g)	$ 1.15 (h)	$ 1.53 (i)

(a) Quarterly net income per share is calculated using the weighted-average number of shares outstanding during each quarterly period, while net income per share for the full year is calculated using the weighted-average number of shares

outstanding during the year. Therefore, the sum of the net income per share for each of the four quarters may not equal the net income per share for the full year.

(b) Includes restructuring, integration, and other charges ($6,141 net of related taxes or $.05 per share on both a basic and diluted basis).

(c) Includes restructuring, integration, and other charges ($9,702 net of related taxes or $.09 per share on both a basic and diluted basis).

(d) Includes restructuring, integration, and other charges ($8,576 net of related taxes or $.08 per share on both a basic and diluted basis).

(e) Includes restructuring, integration, and other charges ($6,320 net of related taxes or $.06 per share on both a basic and diluted basis) and a gain on the settlement of a legal matter ($48,623 net of related taxes or $.46 and $.45 per share on a basic and diluted basis, respectively).

(f) Includes restructuring, integration, and other charges ($7,199 net of related taxes or $.06 per share on both a basic and diluted basis), a charge related to the settlement of a legal matter ($3,609 net of related taxes or $.03 per share on both a basic and diluted basis), and a gain on bargain purchase ($1,078 net of related taxes or $.01 per share on both a basic and diluted basis).

(g) Includes restructuring, integration, and other charges ($3,584 net of related taxes or $.03 per share on both a basic and diluted basis).

(h) Includes restructuring, integration, and other charges ($6,048 net of related taxes or $.05 per share on both a basic and diluted basis).

(i) Includes restructuring, integration, and other charges ($11,223 net of related taxes or $.10 per share on both a basic and diluted basis), an adjustment to the gain on bargain purchase recorded in the first quarter of 2011 ($410 net of related taxes), a loss on prepayment of debt ($549 net of related taxes), and a net reduction in the provision for income taxes ($28,928 net of related taxes or $.26 and $.25 per share on a basic and diluted basis, respectively) principally due to a reversal of valuation allowance on certain deferred tax assets.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure .

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The company's management, under the supervision and with the participation of the company's Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the company's disclosure controls and procedures as of December 31, 2012 (the "Evaluation"). Based upon the Evaluation, the company's Chief Executive Officer and Chief Financial Officer concluded that the company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) are effective.

Management's Report on Internal Control Over Financial Reporting

The company's management is responsible for establishing and maintaining adequate "internal control over financial reporting" (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)). Management evaluates the effectiveness of the company's internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework. Management, under the supervision and with the participation of the company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2012, and concluded that it is effective.

The company acquired seven separate entities over the course of the year ended December 31, 2012, which are included in the company's 2012 consolidated financial statements and constituted 4.4 percent of total assets as of December 31, 2012 and 1.6 percent of the company's consolidated sales and 2.6 percent of the company's consolidated net income attributable to shareholders for the year ended December 31, 2012. The company has excluded these seven entities from its annual assessment of and conclusion on the effectiveness of the company's internal control over financial reporting.

The company's independent registered public accounting firm, Ernst & Young LLP, has audited the effectiveness of the company's internal control over financial reporting as of December 31, 2012, as stated in their report, which is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Arrow Electronics, Inc.

We have audited Arrow Electronics, Inc.'s (the "company") internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of seven separate entities that were acquired over the course of the year ended December 31, 2012, which are included in the company's 2012 consolidated financial statements and constituted 4.4 percent of total assets as of December 31, 2012 and 1.6 percent of the sales and 2.6 percent of the net income attributable to shareholders for the year then ended. Our audit of internal control over financial reporting of the company also did not include an evaluation of the internal control over financial reporting of these seven entities.

In our opinion, Arrow Electronics, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Arrow Electronics, Inc. as of December 31, 2012 and December 31, 2011, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2012 and our report dated February 7, 2013 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York
February 7, 2013

Changes in Internal Control Over Financial Reporting

There was no change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.

Transition of Enterprise Resource Planning System

On January 1, 2013 the company completed the process of installing a new enterprise resource planning ("ERP") system in a select operation in Europe as part of a phased implementation schedule. This new ERP system, which will replace multiple legacy systems of the company, is expected to be implemented globally over the next several years. The implementation of this new ERP system involves changes to the company's procedures for internal control over financial reporting. The company follows a system implementation life cycle process that requires significant pre-implementation planning, design, and testing. The company has also conducted and will continue to conduct extensive post-implementation monitoring and process modifications to ensure that internal controls over financial reporting are properly designed, and the company has not experienced any significant difficulties in results to date in connection with the implementation or operation of the new ERP system.

Item 9B. Other Information.

None.

PART III

Item 10. <u>Directors, Executive Officers and Corporate Governance</u>.

See "Executive Officers" in Part I of this Annual Report on Form 10-K. In addition, the information set forth under the headings "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the company's Proxy Statement, filed in connection with the Annual Meeting of Shareholders scheduled to be held on May 23, 2013, are incorporated herein by reference.

Information about the company's audit committee financial experts set forth under the heading "The Board and its Committees" in the company's Proxy Statement, filed in connection with the Annual Meeting of Shareholders scheduled to be held on May 23, 2013, is incorporated herein by reference.

Information about the company's code of ethics governing the Chief Executive Officer, Chief Financial Officer, and Corporate Controller, known as the "Finance Code of Ethics," as well as a code of ethics governing all employees, known as the "Worldwide Code of Business Conduct and Ethics," is available free-of-charge on the company's website at http://www.arrow.com and is available in print to any shareholder upon request.

Information about the company's "Corporate Governance Guidelines" and written committee charters for the company's Audit Committee, Compensation Committee, and Corporate Governance Committee is available free-of-charge on the company's website at http://www.arrow.com and is available in print to any shareholder upon request.

Item 11. <u>Executive Compensation</u>.

The information required by Item 11 is included in the company's Proxy Statement filed in connection with the Annual Meeting of Shareholders scheduled to be held on May 23, 2013, and is incorporated herein by reference.

Item 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>.

The information required by Item 12 is included in the company's Proxy Statement filed in connection with the Annual Meeting of Shareholders scheduled to be held on May 23, 2013, and is incorporated herein by reference.

Item 13. <u>Certain Relationships and Related Transactions, and Director Independence</u>.

The information required by Item 13 is included in the company's Proxy Statement filed in connection with the Annual Meeting of Shareholders scheduled to be held on May 23, 2013, and is incorporated herein by reference.

Item 14. <u>Principal Accounting Fees and Services</u>.

The information required by Item 14 is included in the company's Proxy Statement filed in connection with the Annual Meeting of Shareholders scheduled to be held on May 23, 2013, and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this report:

	Page
1. Financial Statements.	
Report of Independent Registered Public Accounting Firm	39
Consolidated Statements of Operations for the years ended December 31, 2012, 2011, and 2010	40
Consolidated Statements of Comprehensive Income for the years ended December 31, 2012, 2011, and 2010	41
Consolidated Balance Sheets as of December 31, 2012 and 2011	42
Consolidated Statements of Cash Flows for the years ended December 31, 2012, 2011, and 2010	43
Consolidated Statements of Equity for the years ended December 31, 2012, 2011, and 2010	44
Notes to the Consolidated Financial Statements	46
2. Financial Statement Schedule.	
Schedule II - Valuation and Qualifying Accounts	92

All other schedules are omitted since the required information is not present, or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements, including the notes thereto.

3. Exhibits.

See Index of Exhibits included on pages 86 - 91

INDEX OF EXHIBITS

Exhibit Number	Exhibit
2(a)	Share Purchase Agreement, dated as of August 7, 2000, among VEBA Electronics GmbH, EBV Verwaltungs GmbH i.L., Viterra Grundstucke Verwaltungs GmbH, VEBA Electronics LLC, VEBA Electronics Beteiligungs GmbH, VEBA Electronics (UK) Plc, Raab Karcher Electronics Systems Plc and E.ON AG and Arrow Electronics, Inc., Avnet, Inc., and Cherrybright Limited regarding the sale and purchase of the VEBA electronics distribution group (incorporated by reference to Exhibit 2(i) to the company's Annual Report on Form 10-K for the year ended December 31, 2000, Commission File No. 1-4482).
3(a)(i)	Restated Certificate of Incorporation of the company, as amended (incorporated by reference to Exhibit 3(a) to the company's Annual Report on Form 10-K for the year ended December 31, 1994, Commission File No. 1-4482).
3(a)(ii)	Certificate of Amendment of the Certificate of Incorporation of Arrow Electronics, Inc., dated as of August 30, 1996 (incorporated by reference to Exhibit 3 to the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996, Commission File No. 1-4482).
3(a)(iii)	Certificate of Amendment of the Restated Certificate of Incorporation of the company, dated as of October 12, 2000 (incorporated by reference to Exhibit 3(a)(iii) to the company's Annual Report on Form 10-K for the year ended December 31, 2000, Commission File No. 1-4482).
3(b)	Amended Corporate By-Laws, dated July 29, 2004 (incorporated by reference to Exhibit 3(ii) to the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004, Commission File No. 1-4482).
4(a)(i)	Indenture, dated as of January 15, 1997, between the company and The Bank of New York Mellon (formerly, the Bank of Montreal Trust Company), as Trustee (incorporated by reference to Exhibit 4(b)(i) to the company's Annual Report on Form 10-K for the year ended December 31, 1996, Commission File No. 1-4482).
4(a)(ii)	Officers' Certificate, as defined by the Indenture in 4(a)(i) above, dated as of January 22, 1997, with respect to the company's $200,000,000 7% Senior Notes due 2007 and $200,000,000 7 1/2% Senior Debentures due 2027 (incorporated by reference to Exhibit 4(b)(ii) to the company's Annual Report on Form 10-K for the year ended December 31, 1996, Commission File No. 1-4482).
4(a)(iii)	Officers' Certificate, as defined by the Indenture in 4(a)(i) above, dated as of January 15, 1997, with respect to the $200,000,000 6 7/8% Senior Debentures due 2018, dated as of May 29, 1998 (incorporated by reference to Exhibit 4(b)(iii) to the company's Annual Report on Form 10-K for the year ended December 31, 1998, Commission File No. 1-4482).
4(a)(iv)	Supplemental Indenture, dated as of February 21, 2001, between the company and The Bank of New York (as successor to the Bank of Montreal Trust Company), as trustee (incorporated by reference to Exhibit 4.2 to the company's Current Report on Form 8-K, dated March 12, 2001, Commission File No. 1-4482).
4(a)(v)	Supplemental Indenture, dated as of December 31, 2001, between the company and The Bank of New York (as successor to the Bank of Montreal Trust Company), as trustee (incorporated by reference to Exhibit 4(b)(vi) to the company's Annual Report on Form 10-K for the year ended December 31, 2001, Commission File No. 1-4482).
4(a)(vi)	Supplemental Indenture, dated as of March 11, 2005, between the company and The Bank of New York (as successor to the Bank of Montreal Trust Company), as trustee (incorporated by reference to Exhibit 4(b)(vii) to the company's Annual Report on Form 10-K for the year ended December 31, 2004, Commission File No. 1-4482).

4(a)(vii)	Supplemental Indenture, dated as of September 30, 2009, between the company and The Bank of New York (as successor to the Bank of Montreal Trust Company), as trustee (incorporated by reference to Exhibit 4.1 to the company's Current Report on Form 8-K dated September 29, 2009, Commission File No. 1-4482).
4(a)(viii)	Supplemental Indenture, dated as of November 3, 2010, between the company and The Bank of New York (as successor to the Bank of Montreal Trust Company), as trustee (incorporated by reference to Exhibit 4.1 to the company's Current Report on Form 8-K dated November 2, 2010, Commission File No. 1-4482).
10(a)	Arrow Electronics Savings Plan, as amended and restated effective January 1, 2012.
10(b)	Wyle Electronics Retirement Plan, as amended and restated on September 9, 2009 (incorporated by reference to Exhibit 10(b) to the company's Quarterly Report on Form 10-Q for the quarter ended October 3, 2009, Commission File No. 1-4482).
10(c)	Arrow Electronics Stock Ownership Plan, as amended and restated on September 9, 2009 (incorporated by reference to Exhibit 10(c) to the company's Quarterly Report on Form 10-Q for the quarter ended October 3, 2009, Commission File No. 1-4482).
10(c)(i)	Amendment 4 to the Arrow Electronics Stock Ownership Plan effective December 31, 2012.
10(d)(i)	Arrow Electronics, Inc. 2004 Omnibus Incentive Plan (as amended through February 25, 2010)(incorporated by reference to Exhibit 10(d)(i) to the company's Annual Report on Form 10-K for the year ended December 31, 2010, Commission File No. 1-4482).
10(d)(ii)	Form of Non-Qualified Stock Option Award Agreement under 10(d)(i) above.
10(d)(iii)	Form of Performance Stock Unit Award Agreement under 10(d)(i) above.
10(d)(iv)	Form of Restricted Stock Unit Award Agreement under 10(d)(i) above.
10(e)(i)	Arrow Electronics, Inc. Stock Option Plan, as amended and restated effective February 27, 2002 (incorporated by reference to Exhibit 10(d)(i) to the company's Annual Report on Form 10-K for the year ended December 31, 2002, Commission File No. 1-4482).
10(e)(ii)	Paying Agency Agreement, dated November 11, 2003, by and between Arrow Electronics, Inc. and Wachovia Bank, N.A. (incorporated by reference to Exhibit 10(d)(iii) to the company's Annual Report on Form 10-K for the year ended December 31, 2003, Commission File No. 1-4482).
10(f)	2002 Non-Employee Directors Stock Option Plan as of May 23, 2002 (incorporated by reference to Exhibit 10(f) to the company's Annual Report on Form 10-K for the year ended December 31, 2002, Commission File No. 1-4482).
10(g)	Non-Employee Directors Deferred Compensation Plan, as amended and restated on January 1, 2009.
10(h)	Arrow Electronics, Inc. Supplemental Executive Retirement Plan, as amended effective January 1, 2009 (incorporated by reference to Exhibit 10(i) to the company's Annual Report on Form 10-K for the year ended December 31, 2009, Commission File No. 1-4482).
10(i)	Arrow Electronics, Inc. Executive Deferred Compensation Plan amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10(i) to the company's Annual Report on Form 10-K for the year ended December 31, 2011, Commission File No. 1-4482).
10(j)(i)	Employment Agreement, dated as of December 30, 2008, by and between the company and Michael J. Long (incorporated by reference to Exhibit 10(k)(i) to the company's Annual Report on Form 10-K for the year ended December 31, 2008, Commission File No. 1-4482).

10(j)(ii)	Employment Agreement, dated as of December 30, 2008, by and between the company and Peter S. Brown (incorporated by reference to Exhibit 10(k)(ii) to the company's Annual Report on Form 10-K for the year ended December 31, 2008, Commission File No. 1-4482).
10(j)(iii)	Employment Agreement, dated as of December 30, 2008, by and between the company and Paul J. Reilly (incorporated by reference to Exhibit 10(k)(iii) to the company's Annual Report on Form 10-K for the year ended December 31, 2008, Commission File No. 1-4482).
10(j)(iv)	Employment Agreement, dated as of December 30, 2008, by and between the company and Andrew S. Bryant (incorporated by reference to Exhibit 10(k)(v) to the company's Annual Report on Form 10-K for the year ended December 31, 2009, Commission File No. 1-4482).
10(j)(v)	Employment Agreement, dated as of December 30, 2008, by and between the company and Peter Kong (incorporated by reference to Exhibit 10(k)(vi) to the company's Annual Report on Form 10-K for the year ended December 31, 2009, Commission File No. 1-4482).
10(j)(vi)	Employment Agreement, dated as of December 30, 2008, by and between the company and M. Catherine Morris (incorporated by reference to Exhibit 10(j)(vi) to the company's Annual Report on Form 10-K for the year ended December 31, 2011, Commission File No. 1-4482).
10(j)(vii)	Employment Agreement, dated as of December 30, 2008, by and between the company and Vincent Melvin (incorporated by reference to Exhibit 10(j)(vii) to the company's Annual Report on Form 10-K for the year ended December 31, 2011, Commission File No. 1-4482).
10(j)(viii)	Offer Letter and Term Sheet, dated as of October 1, 2011, by and between the company and Gretchen Zech (incorporated by reference to Exhibit 10(j)(viii) to the company's Annual Report on Form 10-K for the year ended December 31, 2011, Commission File No. 1-4482).
10(j)(ix)	Form of agreement providing extended separation benefits under certain circumstances between the company and certain employees party to employment agreements, including the employees listed in 10(j)(i)-(viii) above (incorporated by reference to Exhibit 10(k)(vii) to the company's Annual Report on Form 10-K for the year ended December 31, 2009, Commission File No. 1-4482).
10(j)(x)	Grantor Trust Agreement, as amended and restated on November 11, 2003, by and between Arrow Electronics, Inc. and Wachovia Bank, N.A. (incorporated by reference to Exhibit 10(i)(xvii) to the company's Annual Report on Form 10-K for the year ended December 31, 2003, Commission File No. 1-4482).
10(j)(xi)	First Amendment, dated September 17, 2004, to the amended and restated Grantor Trust Agreement in 10(j)(x) above by and between Arrow Electronics, Inc. and Wachovia Bank, N.A. (incorporated by reference to Exhibit 10(a) to the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004, Commission File No. 1-4482).
10(k)	6.875% Senior Exchange Notes due 2013, dated as of June 25, 2003, among Arrow Electronics, Inc. and Goldman, Sachs & Co.; JPMorgan; and Bank of America Securities LLC, as joint book-running managers; Credit Suisse First Boston, as lead manager; and Fleet Securities, Inc.; HSBC, Scotia Capital; and Wachovia Securities, as co-managers (incorporated by reference to Exhibit 99.1 to the company's Current Report on Form 8-K dated June 25, 2003, Commission File No. 1-4482).
10(l)	Five-Year Credit Agreement, dated as of August 19, 2011, among Arrow Electronics, Inc. and certain of its subsidiaries, as borrowers, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent and BNP Paribas, Bank of America, N.A., The Bank of Nova Scotia and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as syndication agents (incorporated by reference to Exhibit 10(a) to the company's Quarterly Report on Form 10-Q for the quarter ended October 1, 2011, Commission File No. 1-4482).

10(m)(i)	Transfer and Administration Agreement, dated as of March 21, 2001, by and among Arrow Electronics Funding Corporation, Arrow Electronics, Inc., individually and as Master Servicer, the several Conduit Investors, Alternate Investors and Funding Agents and Bank of America, National Association, as administrative agent (incorporated by reference to Exhibit 10(m)(i) to the company's Annual Report on Form 10-K for the year ended December 31, 2001, Commission File No. 1-4482).
10(m)(ii)	Amendment No. 1 to the Transfer and Administration Agreement, dated as of November 30, 2001, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(m)(ii) to the company's Annual Report on Form 10-K for the year ended December 31, 2001, Commission File No. 1-4482).
10(m)(iii)	Amendment No. 2 to the Transfer and Administration Agreement, dated as of December 14, 2001, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(m)(iii) to the company's Annual Report on Form 10-K for the year ended December 31, 2001, Commission File No. 1-4482).
10(m)(iv)	Amendment No. 3 to the Transfer and Administration Agreement, dated as of March 20, 2002, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(m)(iv) to the company's Annual Report on Form 10-K for the year ended December 31, 2001, Commission File No. 1-4482).
10(m)(v)	Amendment No. 4 to the Transfer and Administration Agreement, dated as of March 29, 2002, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(n)(v) to the company's Annual Report on Form 10-K for the year ended December 31, 2002, Commission File No. 1-4482).
10(m)(vi)	Amendment No. 5 to the Transfer and Administration Agreement, dated as of May 22, 2002, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(n)(vi) to the company's Annual Report on Form 10-K for the year ended December 31, 2002, Commission File No. 1-4482).
10(m)(vii)	Amendment No. 6 to the Transfer and Administration Agreement, dated as of September 27, 2002, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(n)(vii) to the company's Annual Report on Form 10-K for the year ended December 31, 2002, Commission File No. 1-4482).
10(m)(viii)	Amendment No. 7 to the Transfer and Administration Agreement, dated as of February 19, 2003, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 99.1 to the company's Current Report on Form 8-K dated February 6, 2003, Commission File No. 1-4482).
10(m)(ix)	Amendment No. 8 to the Transfer and Administration Agreement, dated as of April 14, 2003, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(n)(ix) to the company's Annual Report on Form 10-K for the year ended December 31, 2003, Commission File No. 1-4482).
10(m)(x)	Amendment No. 9 to the Transfer and Administration Agreement, dated as of August 13, 2003, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(n)(x) to the company's Annual Report on Form 10-K for the year ended December 31, 2003, Commission File No. 1-4482).
10(m)(xi)	Amendment No. 10 to the Transfer and Administration Agreement, dated as of February 18, 2004, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(n)(xi) to the company's Annual Report on Form 10-K for the year ended December 31, 2003, Commission File No. 1-4482).
10(m)(xii)	Amendment No. 11 to the Transfer and Administration Agreement, dated as of August 13, 2004, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(b) to the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004, Commission File No. 1-4482).

10(m)(xiii)	Amendment No. 12 to the Transfer and Administration Agreement, dated as of February 14, 2005, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(o)(xiii) to the company's Annual Report on Form 10-K for the year ended December 31, 2004, Commission File No. 1-4482).
10(m)(xiv)	Amendment No. 13 to the Transfer and Administration Agreement, dated as of February 13, 2006, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(o)(xiv) to the company's Annual Report on Form 10-K for the year ended December 31, 2005, Commission File No. 1-4482).
10(m)(xv)	Amendment No. 14 to the Transfer and Administration Agreement, dated as of October 31, 2006, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(o)(xv) to the company's Annual Report on Form 10-K for the year ended December 31, 2006, Commission File No. 1-4482).
10(m)(xvi)	Amendment No. 15 to the Transfer and Administration Agreement, dated as of February 12, 2007, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(o)(xvi) to the company's Annual Report on Form 10-K for the year ended December 31, 2006, Commission File No. 1-4482).
10(m)(xvii)	Amendment No. 16 to the Transfer and Administration Agreement, dated as of March 27, 2007, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(b) to the company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, Commission File No. 1-4482).
10(m)(xviii)	Amendment No. 17 to the Transfer and Administration Agreement, dated as of March 26, 2010, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(n) to the company's Current Report on Forms 8-K and 8-K/A dated March 31, 2010, Commission File No. 1-4482).
10(m)(xix)	Amendment No. 18 to the Transfer and Administration Agreement, dated as of December 15, 2010, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(n) to the company's Current Report on Form 8-K/A dated January 13, 2011, Commission File No.1-4482).
10(m)(xx)	Amendment No. 19 to the Transfer and Administration Agreement, dated as of February 14, 2011, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10(m)(xx) to the company's Annual Report on Form 10-K for the year ended December 31, 2011, Commission File No. 1-4482).
10(m)(xxi)	Amendment No. 20 to the Transfer and Administration Agreement, dated as of December 7, 2011, to the Transfer and Administration Agreement in 10(m)(i) above (incorporated by reference to Exhibit 10.1 to the company's Current Report on Form 8-K dated December 12, 2011, Commission File No.1-4482).
10(m)(xxii)	Amendment No. 21 to the Transfer and Administration Agreement, dated as of March 30, 2012, to the Transfer and Administration Agreement in 10(m)(i) above.
10(m)(xxiii)	Amendment No. 22 to the Transfer and Administration Agreement, dated as of August 29, 2012, to the Transfer and Administration Agreement in 10(m)(i) above.
10(n)(i)	Commercial Paper Private Placement Agreement, dated as of November 9, 1999, among Arrow Electronics, Inc., as issuer, and Chase Securities Inc., Bank of America Securities LLC, Goldman, Sachs & Co., and Morgan Stanley & Co. Incorporated as placement agents (incorporated by reference to Exhibit 10(g) to the company's Annual Report on Form 10-K for the year ended December 31, 1999, Commission File No. 1-4482).

10(n)(ii)	Amendment No. 1 to Dealer Agreement dated as of November 9, 1999, between Arrow Electronics, Inc. and J.P. Morgan Securities LLC (f.k.a. Chase Securities Inc.), Merrill Lynch, Pierce, Fenner & Smith Incorporated (f.k.a. Bank of America Securities LLC), Goldman, Sachs & Co. and Morgan Stanley & Co. LLC (f.k.a. Morgan Stanley & Co. Incorporated) (incorporated by reference to Exhibit 10(n)(ii) to the company's Annual Report on Form 10-K for the year ended December 31, 2011, Commission File No. 1-4482).
10(n)(iii)	Issuing and Paying Agency Agreement, dated as of October 11, 2011, by and between Arrow Electronics, Inc. and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10(n)(iii) to the company's Annual Report on Form 10-K for the year ended December 31, 2011, Commission File No. 1-4482).
10(o)	Form of Indemnification Agreement between the company and each director (incorporated by reference to Exhibit 10(g) to the company's Annual Report on Form 10-K for the year ended December 31, 1986, Commission File No. 1-4482).
10(p)	Settlement Agreement, between Arrow Electronics Inc., E.ON SE, and VEBA Electronics, LLC.
21	Subsidiary Listing.
23	Consent of Independent Registered Public Accounting Firm.
31(i)	Certification of Chief Executive Officer pursuant to Rule 13A-14(a)/15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(ii)	Certification of Chief Financial Officer pursuant to Rule 13A-14(a)/15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32(i)	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32(ii)	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Documents.
101.DEF	XBRL Taxonomy Definition Linkbase Document.

ARROW ELECTRONICS, INC.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

	Balance at beginning of year	Charged to income	Other (a)	Write-down	Balance at end of year
Allowance for doubtful accounts:					
Year ended December 31, 2012	$ 48,125	$ 12,452	$ 3,262	$ 9,601	$ 54,238
Year ended December 31, 2011	$ 37,998	$ 12,957	$ 5,357	$ 8,187	$ 48,125
Year ended December 31, 2010	$ 39,674	$ 5,001	$ 5,849	$ 12,526	$ 37,998

(a) Represents the allowance for doubtful accounts of the businesses acquired by the company during 2012, 2011, and 2010.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ARROW ELECTRONICS, INC.

By: /s/ Peter S. Brown

Peter S. Brown
Senior Vice President, General Counsel, and Secretary
February 7, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 7, 2013:

By: /s/ Michael J. Long

Michael J. Long, Chairman, President, and Chief Executive Officer

By: /s/ Paul J. Reilly

Paul J. Reilly, Executive Vice President, Finance and Operations, and Chief Financial Officer

By: /s/ Jeff Pinkerman

Jeff Pinkerman, Vice President, Corporate Controller, and Chief Accounting Officer

By: /s/ Barry W. Perry

Barry W. Perry, Lead Independent Director

By: /s/ Philip K. Asherman

Philip K. Asherman, Director

By: /s/ Gail E. Hamilton

Gail E. Hamilton, Director

By: /s/ John N. Hanson

John N. Hanson, Director

By: /s/ Richard S. Hill

Richard S. Hill, Director

By: /s/ Fran Keeth

Fran Keeth, Director

By: /s/ Andrew C. Kerin

Andrew C. Kerin, Director

By: /s/ Stephen C. Patrick

Stephen C. Patrick, Director

By: /s/ John C. Waddell

John C. Waddell, Director

Exhibit 10(a)

ARROW ELECTRONICS

SAVINGS PLAN

(As Amended and Restated, Effective January 1, 2012)

Table of Contents

ARTICLE I Definitions
1.1 Accounts
1.2 Affiliate
1.3 Applicable Plan Year
1.4 Appropriate Form
1.5 Beneficiary
1.6 Board of Directors
1.7 Code
1.8 Catch-up Contributions
1.9 Committee
1.10 Common Stock
1.11 Company
1.12 Company Representative
1.13 Compensation
1.14 Compensation Limit
1.15 Contribution Agreement
1.16 Disability
1.17 Discretionary Contribution
1.18 Discretionary Contribution Account
1.19 Effective Date
1.20 Elective Account
1.21 Elective Contributions
1.22 Elective Deferral Limit
1.23 Eligible Employee
1.24 Employer
1.25 Employer Contribution
1.26 Employer Contribution Account
1.27 Entry Date
1.28 ERISA
1.29 ESOP Contributions
1.30 Fund or Trust Fund
1.31 Highly Compensated Employee
1.32 Hour of Service
1.33 Investment Adjustments
1.34 Investment Fund
1.35 Loan Account
1.36 Loan Fund
1.37 Matching Account
1.38 Matching Contributions
1.39 Member
1.40 Normal Retirement Date
1.41 One-Year Break in Service
1.42 Plan
1.43 Plan Year
1.44 Rollover Account

Table of Contents

(continued)

1.45 Rollover Contribution
1.46 Section 401(k) Member
1.47 Termination of Employment
1.48 Total Earnings
1.49 Trust Agreement
1.50 Trustee
1.51 Valuation Date
1.52 Vested Percentage
1.53 Year of Service
1.54 “Same-sex Marriages”

ARTICLE II Membership
2.1 Membership
2.2 Service with Affiliates
2.3 Contribution Agreement
2.4 Transfers
2.5 Transfers Between Employers
2.6 Reemployment
2.7 Service with Predecessors or Affiliates, or as an Ineligible Employee

ARTICLE III Contributions
3.1 Elective Contributions
3.2 Matching Contributions
3.3 Section 401(k) Limit on Elective Contributions
3.4 Section 401(m) Limit on Matching Contributions
3.5 Special Rules Relating to Elective Contributions and Matching Contributions.
3.6 Discretionary Contributions.
3.7 Rollovers
3.8 Maximum Limit on Allocation
3.9 Form and Time of Payment
3.10 Contributions May Not Exceed Amount Deductible
3.11 Contributions Conditioned on Deductibility
3.12 Expenses
3.13 No Employee Contributions
3.14 Profits Not Required
3.15 Contributions for Military Service
3.16 Military Service

ARTICLE IV Vesting
4.1 Elective Account and Rollover Account
4.2 Employer Contribution Account
4.3 Forfeitures
4.4 Irrevocable Forfeitures
4.5 Application of Forfeitures

Table of Contents

(continued)

ARTICLE V Accounts and Designation of Investment Funds
5.1 Investment of Account Balances
5.2 Designation of Investment Funds for Future Contributions
5.3 Designation of Investment Funds for Existing Account Balances
5.4 Valuation of Investment Funds
5.5 Correction of Error
5.6 Allocation Shall Not Vest Title
5.7 Statement of Accounts
5.8 Daily Valuation

ARTICLE VI Limitation on Maximum Contributions and Benefits Under all Plans
6.1 Definitions
6.2 Limitation on Annual Additions
6.3 Application
6.4 Limitation Year
6.5 Correlation with Higher ESOP Limit

ARTICLE VII Distributions, Withdrawals and Loans
7.1 Distribution on Termination of Employment
7.2 Withdrawals during Employment
7.3 Loans during Employment
7.4 Loan Requirements
7.5 Loan Expenses
7.6 Funding
7.7 Repayment
7.8 Valuation
7.9 Allocation among Investment Funds
7.10 Disposition of Loan Upon Certain Events
7.11 Withdrawals from Plan While Loan is Outstanding
7.12 Compliance with Applicable Law
7.13 Default
7.14 Conversion of Loan to Hardship Distribution

ARTICLE VIII Payment of Benefits
8.1 Payment of Benefits
8.2 Death Benefits
8.3 Non-Alienation of Benefits
8.4 Doubt as to Right to Payment
8.5 Incapacity
8.6 Time of Commencement of Benefits
8.7 Payments to Minors
8.8 Identity of Proper Payee
8.9 Inability to Locate Distributee/Uncashed Checks
8.10 Estoppel of Members and Their Beneficiaries
8.11 Qualified Domestic Relations Orders

Table of Contents

(continued)

8.12 Benefits Payable Only from Fund
8.13 Prior Plan Distribution Forms
8.14 Restrictions on Distribution
8.15 Direct Rollover of Eligible Rollover Distributions
8.16 Receipt of ESOP Beneficiary's Account

ARTICLE IX Beneficiary Designation
9.1 Designation of Beneficiary
9.2 Spouse as Presumptive Beneficiary
9.3 Change of Beneficiary
9.4 Failure to Designate
9.5 Effect of Marriage, Divorce or Annulment, or Legal Separation
9.6 Proof of Death, etc
9.7 Discharge of Liability

ARTICLE X Administration of the Plan
10.1 Committee
10.2 Named Fiduciary
10.3 Powers and Discretion of the Named Fiduciary
10.4 Advisers
10.5 Service in Multiple Capacities
10.6 Limitation of Liability; Indemnity
10.7 Reliance on Information
10.8 Subcommittees, Counsel and Agents
10.9 Funding Policy
10.10 Proper Proof
10.11 Genuineness of Documents
10.12 Members May Direct Investments
10.13 Records and Reports
10.14 Recovery of Overpayments

ARTICLE XI The Trust Agreement
11.1 The Trust Agreement
11.2 No Diversion of Fund
11.3 Duties and Responsibilities of the Trustee

ARTICLE XII Amendment
12.1 Right of the Company to Amend the Plan
12.2 Plan Merger
12.3 Amendments Required by Law
12.4 Right to Terminate
12.5 Termination of Trust
12.6 Continuation of Trust
12.7 Discontinuance of Contributions

Table of Contents

(continued)

ARTICLE XIII Miscellaneous Provisions

13.1 Plan Not a Contract of Employment
13.2 Merger
13.3 Claims Procedure
13.4 Controlling Law
13.5 Separability
13.6 Captions
13.7 Usage

ARTICLE XIV Leased Employees

14.1 Definitions
14.2 Treatment of Leased Employees
14.3 Exception for Employees Covered by Plans of Leasing Organization
14.4 Construction

ARTICLE XV "Top-Heavy" Provisions

15.1 Determination of "Top-Heavy" Status
15.2 Provisions Applicable in "Top-Heavy" Plan Years

ARTICLE XVI Catch-Up Contributions

16.1 General
16.2 Method of Contribution
16.3 Ineligibility for Matching Contributions
16.4 Limit on Catch-Up Contribution
16.5 Treatment of Catch-up Contributions
16.6 Qualification as Catch-up Contributions
16.7 Catch-up Contributions Disregarded for Certain Purposes

ARTICLE XVII Auto-enrollment

17.1 Employees Subject to Auto-enrollment
17.2 Auto-enrollment
17.3 Initial Notice
17.4 Annual Notice
17.5 Notice Procedures
17.6 Election to Disenroll

SUPPLEMENT NO. 1

SUPPLEMENT NO. 2

SUPPLEMENT NO. 3

SUPPLEMENT NO. 4

SUPPLEMENT NO. 5

SUPPLEMENT NO. 6

SUPPLEMENT NO. 7

Table of Contents

(continued)

SUPPLEMENT NO. 8

SUPPLEMENT NO. 9

SUPPLEMENT NO. 10

SUPPLEMENT NO. 11

SUPPLEMENT NO. 12

SUPPLEMENT NO. 13

SUPPLEMENT NO. 14

SUPPLEMENT NO. 15

SUPPLEMENT NO. 16

SUPPLEMENT NO. 17

SUPPLEMENT NO. 18

SUPPLEMENT NO. 19

SUPPLEMENT NO. 20

SUPPLEMENT NO. 21

SUPPLEMENT NO. 22

SUPPLEMENT NO. 23

SUPPLEMENT NO. 24

SUPPLEMENT NO. 25

SUPPLEMENT NO. 26

SUPPLEMENT NO. 27

SUPPLEMENT NO. 28

SUPPLEMENT NO. 29

SUPPLEMENT NO. 30

ARROW ELECTRONICS SAVINGS PLAN

INTRODUCTION

The Arrow Electronics Savings Plan set forth herein (the "Plan") was initially adopted effective June 1, 1982 as Part III of the Arrow Electronics ESOP and Capital Accumulation Plan, a stock bonus plan. A profit sharing plan called the "Arrow Electronics Capital Accumulation Plan" (the "New Plan") was adopted effective January 1, 1984 and amended effective January 1, 1985 to permit additional contributions pursuant to section 401(k) of the Code. Membership in Part III of the Arrow Electronics ESOP and Capital Accumulation Plan was closed after the Entry Date of July 1, 1983 and no contributions were made to Part III for any Plan Year ending after December 31, 1983. Members of the Plan who were eligible became members of the New Plan as of December 31, 1983. Other eligible individuals subsequently became members of the New Plan in accordance with its terms.

The Plan was amended and restated effective as of the close of business on December 31, 1988 for the following purposes: (i) to establish the Plan as a separate entity upon its deletion as Part III of the Arrow Electronics ESOP and Capital Accumulation Plan (which was renamed the Arrow Electronics Stock Ownership Plan) and to accept the transfer to the Plan of all assets and liabilities relating to such Part III; (ii) to merge the New Plan into the Plan and to make further changes deemed necessary or advisable in light of the merger, including changing the name of the Plan to the Arrow Electronics Savings Plan; and (iii) to make changes deemed necessary or advisable to comply with changes in applicable law, effective as of such dates as required by law, and to make other changes deemed desirable in order to effect the purposes of the Plan. Provisions of this document having effective dates prior to December 31, 1988 govern Part III of the Arrow Electronics ESOP and Capital Accumulation Plan as constituted prior thereto and the New Plan.

The Plan was subsequently restated to incorporate further amendments adopted through December 28, 1994 in order to make changes deemed necessary or advisable to comply with changes in applicable law, effective as of such dates as are required by law, and to make other changes deemed desirable in order to effect the purposes of the Plan.

The Plan was amended and restated on February 15, 2002 to include amendments adopted since the preceding restatement and additional changes, including those deemed necessary or advisable to comply with the provisions of the Uruguay Round Agreements Act (also referred to as GATT), the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the IRS Restructuring and Reform Act of 1998, and the Community Renewal Tax Relief Act of 2000, as well as other amendments determined by the Company to be appropriate to further the purposes of the Plan, effective as the respective dates set forth or as required by law, provided that clarifications of existing provisions were effective as of the same dates as the provisions which they clarify. The restated Plan also eliminated as "deadwood" provisions no longer necessary, such as those relating to Class Year Accounts (which have all become fully vested and no longer require separate accounting), and Basic Contributions (profit-sharing contributions made under a predecessor plan) all of which are now included in Members' Matching Accounts. References herein to sections that have been renumbered as a result of any of the foregoing changes shall, where the context requires, include references to corresponding sections of the Plan as previously in effect.

On March 17, 2003, the Plan was further restated to include amendments adopted since the last restatement and additional changes, including those deemed necessary or advisable to reflect the

Economic Growth and Tax Relief Reconciliation Act of 2001, or otherwise appropriate to further the purposes of the Plan, and to eliminate provisions no longer applicable, effective as of January 1, 2002 or as otherwise expressly provided or required by law, provided that clarifications of existing provisions are effective as of the same dates as the provisions which they clarify. The Plan was further amended by action of the Committee on November 25, 2003 and September 21, 2004, and as set forth in Amendment No. 1 executed on March 7, 2005. The Plan was thereafter separately amended by action of the Committee to make the changes set forth in Article VII hereof effective August 1, 2006, and in Sections 1.50 and 9.5 (and other provisions of Article IX referring thereto), effective September 1, 2006.

The Plan was further amended and restated in January 2007 to make additional changes deemed advisable, including changes to reflect the final regulations under section 401(k) of the Code effective January 1, 2006 and expanded definitive language to reflect final regulations under EGTRRA's catch-up provisions, as well as additional design changes, which additional changes were effective January 1, 2006 except as otherwise expressly provided.

On September 9, 2009 the Plan was further amended and restated to reflect the final regulations under Section 415 and to authorize a direct rollover to a Roth IRA, both effective January 1, 2008, to include gap period income in any corrective distribution of elective deferrals exceeding the applicable dollar limitation for the 2007 Plan Year, to make certain mandatory and discretionary changes pursuant to the Pension Protection Act of 2006, to permit withdrawals of contributions made upon automatic enrollment within a 90-day window period, to suspend mandatory minimum required distributions in respect of the 2009 Plan Year, to comply with the Heroes Earnings Assistance and Relief Tax Act of 2008, effective as of January 1, 2007, to eliminate obsolete language about the historical operation of the Plan, and to make such additional clarifying or simplifying changes as are deemed desirable by the Company, effective as of the date to which the affected provisions relate. The Plan as so restated is effective generally as of adoption unless otherwise expressly provided or required under the Code.

The Plan is now further amended and restated to include amendments adopted since the last restatement, to permit the Employers to make discretionary contributions and to grant past-service credit to certain individuals in connection with various acquisitions of stock or assets by the Company.

ARTICLE 1

Definitions

When used in this Plan, the following terms shall have the designated meaning, unless a different meaning is clearly required by the context.

1.1 Accounts. Singly or collectively (as the case may be) a Member's Elective Account, Loan Account, Matching Account, Discretionary Contribution Account and Rollover Account, as applicable.

1.2 Affiliate. Any of the following:

1.2.1 Controlled Group Affiliate. Any trade or business (other than an Employer), whether or not incorporated, which at the time of reference controls, is controlled by, or is under common control with an Employer within the meaning of section 414(b) or 414(c) of the Code

(including any division of an Employer not participating in the Plan) and, for purposes of Article VI, section 415(h) of the Code (a "Controlled Group Affiliate").

1.2.2 Affiliated Service Groups, etc. Any (a) member of an affiliated service group, within the meaning of section 414(m) of the Code, that includes an Employer, or (b) organization aggregated with an Employer pursuant to section 414(o) of the Code, to the extent required by such sections or section 401(k) or (m) of the Code.

1.3 Applicable Plan Year. The current Plan Year.

1.4 Appropriate Form. The form or other method of communication prescribed by the Committee for a particular purpose specified in the Plan, when filed or otherwise effected at the time and in the manner prescribed by the Committee.

1.5 Beneficiary. A person or persons entitled under Article IX to receive any benefits payable upon or after the death of a Member.

1.6 Board of Directors. The Board of Directors of the Company or any duly authorized committee thereof (such as the Compensation Committee).

1.7 Code. The Internal Revenue Code of 1986 as amended from time to time. Reference to a specific provision of the Code shall include such provision, any valid regulation or ruling promulgated thereunder and any comparable provision of future law that amends, supplements or supersedes such provision.

1.8 Catch-up Contributions. Elective Contributions designated and qualifying as Catch-up Contributions pursuant to Article XVI, or "Excess Contributions" recharacterized as Catch-up Contributions under Section 3.3.4 in order to satisfy ADP nondiscrimination testing.

1.9 Committee. The Management Pension Investment and Oversight Committee appointed to serve as named fiduciary of the Plan pursuant to Article X, and prior thereto, the Administrator as defined in the Plan as then in effect.

1.10 Common Stock. The common stock of the Company having a par value of one dollar ($1) per share, or any other common stock into which it may be reclassified.

1.11 Company. Arrow Electronics, Inc., a New York corporation, and any company acquiring the business of Arrow Electronics, Inc. and which, within a reasonable time thereafter, adopts this Plan as of the effective date of such acquisition.

1.12 Company Representative. The individuals serving from time to time as members of the Committee, but acting as the representative of the Company in exercising the rights of the Company as settlor and plan sponsor. Such individuals shall not be deemed to be fiduciaries with respect to the Plan when carrying out responsibilities assigned to the Company Representative under the Plan, even though, where applicable, the same individuals may be fiduciaries when carrying out their responsibilities as members of the Committee.

1.13 Compensation. Gross cash compensation paid by an Employer to an individual for services as an Eligible Employee after he becomes a Member, determined before giving effect to any Contribution Agreement or other cash or deferred arrangement described in section 401(k) of the Code, or to any similar reduction agreement pursuant to any cafeteria plan (within the meaning of section 125 of the Code) or for purposes of receiving qualified transportation fringe benefits (as described in section 132(f)(4) of the Code), subject to the Compensation Limit. Compensation shall not include any (a) payments made pursuant to stock appreciation rights or otherwise pursuant to any plan for the grant of stock options, stock, or other stock rights, (b) expense reimbursements other than taxable car allowances (such as but not limited to relocation and tuition expense reimbursements and nontaxable car allowances), or (c) salary continuation or other amounts paid under arrangements entered into on or after December 1, 2006, or under prior arrangements if paid after March 31, 2007, that are effectively in the nature of severance pay however designated. Effective January 1, 2008, Compensation shall not include (x) parachute payments within the meaning of section 280G of the Code made after termination of employment or (y) other amounts paid after termination of employment, unless paid for services rendered prior to termination and paid either within the calendar year of termination or no later than 2-1/2 months after the date of termination (but excluding post-severance payments in the nature of unused accrued sick, vacation or other bona fide leave payments).

1.14 Compensation Limit. Compensation taken into account for any Member for any Plan Year beginning on or after January 1, 2002, shall not exceed two hundred thousand dollars ($200,000) (as adjusted from time to time for increases in the cost of living in accordance with section 401(a)(17) of the Code) (the “Compensation Limit”). If the period for determining Compensation is a short plan year (i.e., shorter than 12 months), the annual Compensation limit is an amount equal to the otherwise applicable annual Compensation limit multiplied by a fraction, the numerator of which is the number of months in the short plan year and the denominator of which is 12. Except in the case of a short plan year, the Compensation Limit shall be applied to the Member's aggregate Compensation for the entire twelve months of the Plan Year, without regard to the percentage contribution elected by the Participant during any particular pay period, provided that the aggregate Elective Contributions for the benefit of a Member for any Plan Year (or Matching Contributions in respect thereof) shall not exceed the maximum amount determined by applying the contribution rate or rates in effect with respect to such contributions from time to time during the year to the total amount of such Compensation not in excess of such Compensation Limit.

1.15 Contribution Agreement. An agreement by a Section 401(k) Member (set forth on the Appropriate Form) to reduce his Compensation otherwise payable in cash in order to share in Elective Contributions under the Plan, as provided in Section 3.1, and/or any agreement of similar effect deemed to have been made pursuant to the automatic enrollment provisions of Article XVII.

1.16 Disability. A physical or mental condition which would, upon proper application, entitle the Member to disability benefits under the Social Security Act.

1.17 Discretionary Contribution. A contribution made by an Employer for Members pursuant to Section 3.6.

1.18 Discretionary Contribution Account. A separate Account maintained for each Member which reflects his share of the Fund attributable to Discretionary Contributions together with applicable Investment Adjustments.

1.19 Effective Date. January 1, 1974.

1.20 Elective Account. A separate Account maintained for each Member which reflects his share of the Fund attributable to Elective Contributions plus such other amounts as may be transferred to such Account after December 31, 1988 under the terms of the Arrow Electronics Stock Ownership Plan, together with applicable Investment Adjustments.

1.21 Elective Contributions. Contributions by an Employer for a Section 401(k) Member as provided in Section 3.1, based on the amount by which such Section 401(k) Member elects to reduce his Compensation otherwise payable in cash (which contributions may not exceed the Elective Deferral Limit).

1.22 Elective Deferral Limit. The amount set forth below, reduced by the amount of "elective deferrals" (as defined in section 402(g)(3) of the Code, but excluding catch-up contributions as defined in section 414(v) of the Code) made by a Member during his taxable year (which is presumed to be the calendar year) under any other plans or agreements maintained by an Employer or by a Controlled Group Affiliate (and, in the sole discretion of the Committee, any plans or agreements maintained by any other employer, if reported to the Committee at such time and in such manner as the Committee shall prescribe).

Calendar Year	Amount
2002	$11,000
2003	$12,000
2004	$13,000
2005	$14,000
Years subsequent to 2006	$15,000, as adjusted in accordance with section 402(g)(4) of the Code

1.23 Eligible Employee. Any person employed by the Company or any other Employer, subject to such terms and conditions as may apply to such Employer pursuant to Section 1.24 and subject also to the following:

1.23.1 An employee who is employed primarily to render services within the jurisdiction of a union and whose compensation, hours of work, or conditions of employment are determined by collective bargaining with such union shall not be an Eligible Employee unless the applicable collective bargaining agreement expressly provides that such employee shall be eligible to participate in this Plan, in which event, however, he shall be entitled to participate in this Plan only to the extent and on the terms and conditions specified in such collective bargaining agreement.

1.23.2 The board of directors of an Employer may, in its discretion, determine that individuals employed in a specified division, subdivision, plant, location or job classification of such Employer shall not be Eligible Employees, provided that any such determination shall not discriminate in favor of Highly Compensated Employees so as to prevent the Plan from qualifying under section 401(a) of the Code.

1.23.3 An individual who performs services for an Employer under an agreement or arrangement (which may be written, oral, and/or evidenced by the Employer's payroll practice) with such individual or with another organization that provides the services of such individual to the Employer, pursuant to which such individual is treated as an independent contractor or is

otherwise treated as an employee of an entity other than the Employer, shall not be an Eligible Employee, irrespective of whether such individual is treated as an employee of the Employer under common-law employment principles or pursuant to the provisions of section 414(m), 414(n) or 414(o) of the Code.

1.24 Employer. The Company and any subsidiary of the Company which has adopted the Plan with the approval of the Company, subject to such terms and conditions as may be imposed by the Company upon the participation in the Plan of such adopting Employer.

1.25 Employer Contribution. Contributions made by an Employer pursuant to Sections 3.2 and 3.6.

1.26 Employer Contribution Account. That portion of a Member's Account to which Employer Contributions are credited.

1.27 Entry Date. Effective March 1, 2004, the first day of each calendar month.

1.28 ERISA. The Employee Retirement Income Security Act of 1974, as amended from time to time. Reference to a specific provision of ERISA shall include such provision, any valid regulation or ruling promulgated thereunder and any comparable provision of future law that amends, supplements or supersedes such provision.

1.29 ESOP Contributions. Contributions made by an Employer to the Arrow Electronics Stock Ownership Plan (or, prior to January 1, 1989, to Part I or Part II of the Arrow Electronics ESOP and Capital Accumulation Plan or to the Arrow Electronics ESOP).

1.30 Fund or Trust Fund. The trust fund held under the Trust Agreement pursuant to Section 11.1.

1.31 Highly Compensated Employee. A “highly compensated employee” as defined in section 414(q) of the Code and applicable regulations. Effective January 1, 1997, “Highly Compensated Employee” means an employee who received Total Earnings during the prior Plan Year in excess of $80,000 (as adjusted pursuant to section 414(q) of the Code) or who was a five percent (5%) owner (as described in Section 15.1.2(c)) at any time during the current or prior Plan Year.

1.32 Hour of Service. For all purposes of this Plan, “Hour of Service” shall mean each hour includible under any of Sections 1.32.1 through 1.32.4, applied without duplication, but subject to the provisions of Sections 1.32.5 through 1.32.8.

1.32.1 Paid Working Time. Each hour for which an employee is paid, or entitled to payment, for the performance of duties for an Employer;

1.32.2 Paid Or Other Approved Absence. Each regularly scheduled working hour during a period for which an employee is paid, or entitled to payment, by an Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability or pregnancy), layoff, jury duty, military duty or leave of absence, or during any other period of

authorized leave if employee returns to employment with the Employer on the expiration of such leave.

1.32.3 Military Service. Each regularly scheduled working hour which would constitute an Hour of Service under Section 1.32.1 or 1.32.2 but for the employee's absence for “qualified military service” (as defined in section 414(u) of the Code) (“Military Service”) during a period in which his reemployment rights are protected by law, provided that such employee re-enters the employ of an Employer within the period during which his reemployment rights are protected by law; and

1.32.4 Back Pay Awards. Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer.

1.32.5 Crediting Hour of Service. Hours of Service shall be credited as follows:

(a) Paid Working Time. Hours of Service described in Section 1.32.1 shall be credited to the Plan Year in which the duties were performed;

(b) Paid Absence and Military Service. Hours of Service described in Sections 1.322 and 1.32.3 shall be credited to the Plan Year in which occur the regularly scheduled working hours with respect to which such Hours of Service are determined, beginning with the first such hours;

(c) Back Pay Awards. Hours of Service described in Section 1.32.4 shall be credited to the Plan Year or Plan Years to which the back pay award or agreement pertains (rather than to the Plan Year in which the award, agreement or payment is made).

1.32.6 Limitations on Hours of Service for Paid Absences. Notwithstanding any provision of this Plan, Hours of Service otherwise required to be credited pursuant to Section 1.32.2 (relating to paid absences) or Section 1.32.4 (relating to an award or agreement for back pay), to the extent the award or agreement described therein is made with respect to a period described in Section 1.32.2, shall be subject to the following limitations and rules:

(a) 501 Hour Limitation. No more than five hundred one (501) of such Hours of Service are required to be credited on account of any single continuous period during which an employee performs no duties (whether or not such period occurs in a single Year);

(b) Payments Required by Law. An hour for which an employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable workmen's compensation, unemployment compensation or disability insurance laws;

(c) Medical and Severance Payments Excluded. Hours of Service are not required to be credited for a payment which solely reimburses an employee for medical or medically related expenses incurred by an employee, or constitutes a retirement, termination, or other severance pay or benefit, however designated; and

(d) Indirect Payments. A payment shall be deemed to be made by or due from an Employer regardless of whether such payment is made by or due from the Employer directly, or indirectly through, among others, a trust, fund, or insurer, to which the Employer contributes or pays premiums.

1.32.7 Determinations by Committee. The Committee shall have the power and final authority:

(a) To determine the Hours of Service of any individual for all purposes of the Plan, and to that end may, in his discretion, adopt such rules, presumptions and procedures permitted by applicable law as it shall deem appropriate or desirable;

(b) Without limiting the generality of the foregoing, to provide that the regularly scheduled working hours to be credited under Sections 1.32.2, 1.32.3 and 1.32.4 to an employee without a regular work schedule shall be determined on the basis of a forty (40)-hour work week, or an eight (8)-hour work day, or on any other reasonable basis which reflects the average hours worked by the employee or by other employees in the same job classification over a representative period of time, provided that the basis so used is consistently applied with respect to all employees within the same job classifications, reasonably defined.

1.32.8 Monthly Equivalency. An employee who customarily works for an Employer for twenty (20) or more hours per week throughout each Plan Year (except for holidays and vacations) shall be credited with exactly one hundred ninety (190) Hours of Service for each month with respect to which he completes at least one (1) Hour of Service in accordance with the foregoing provisions of this Section 1.32 (regardless of whether the number of Hours of Service actually completed in such month exceeds one hundred ninety (190)), subject to Section 1.32.6.

1.33 Investment Adjustments. The net realized and unrealized gains, losses, income and expenses attributable to a Member's Elective, Matching, Discretionary Contribution, Prior Plan or Rollover Account as a result of its investment in one or more Investment Funds.

1.34 Investment Fund. A portion of the Fund which is separately invested as provided in Section 5.1, or the Loan Fund.

1.35 Loan Account. An Account maintained pursuant to Section 7.6.2.

1.36 Loan Fund. The Investment Fund maintained pursuant to Section 7.6.1.

1.37 Matching Account. A separate Account maintained for each Member which reflects his share of the Fund attributable to Matching Contributions and, effective January 1, 2001, balances formerly credited to his Basic or Class Year Accounts (within the meaning of those terms under the Plan previously in effect), together with applicable Investment Adjustments.

1.38 Matching Contributions. Contributions by an Employer for a Section 401(k) Member as provided in Section 3.2.

1.39 Member. Each Eligible Employee who became a Member of the Plan upon its establishment effective December 31, 1988 as successor to its predecessors described in the Preamble hereto, or who has become Member of the Plan pursuant to Article II as in effect from

time to time, and each former such Eligible Employee who retains an undistributed Account under the Plan.

1.40 Normal Retirement Date. The sixty-fifth (65th) anniversary of a Member's date of birth.

1.41 One-Year Break in Service. A Plan Year in which the individual has no more than 500 Hours of Service. For purposes of determining whether a One-Year Break in Service has occurred, an individual who is absent from work by reason of a "maternity or paternity absence" shall receive credit for the Hours of Service which would have been credited to such individual but for such absence, or, in any case in which such Hours cannot be determined, eight Hours of Service per day of such absence, but in no event more than 501 Hours of Service. Such Hours of Service shall be credited (a) only in the Plan Year in which the absence begins if necessary to prevent a One-Year Break in Service in that Plan Year, or (b) in all other cases, in the following Plan Year. For purposes of this Section 1.41, "maternity or paternity absence" means an absence from active employment beginning on or after January 1, 1985 by reason of (a) the individual's pregnancy, (b) the birth of a child of the individual, (c) the placement of a child with the individual in connection with the adoption of such child by such individual, or (d) for purposes of caring for any such child for a period beginning immediately following such birth or placement. Nothing in this Plan shall be construed to give an employee a right to a leave of absence for any reason.

1.42 Plan. The Arrow Electronics Savings Plan, which as currently in effect is set forth herein.

1.43 Plan Year. The period of time commencing with the first day of January and ending with the last day of December.

1.44 Rollover Account. A separate account maintained for an individual attributable to (i) his Rollover Contributions and (ii) balances credited as of November 29, 1994 in respect of amounts previously transferred from Part III of the Arrow Electronics ESOP and Capital Accumulation Plan, together with applicable Investment Adjustments.

1.45 Rollover Contribution. An Eligible Employee's rollover contribution made pursuant to Section 3.7, including the amount of any transfer to this Plan pursuant to the diversification and in-service withdrawal provision of the Arrow Electronics Stock Ownership Plan.

1.46 Section 401(k) Member. A Member who is an Eligible Employee.

1.47 Termination of Employment. A Member's employment shall be treated as terminated on the date that he ceases to be employed by an Employer or Affiliate, subject to Section 2.4.2.

1.48 Total Earnings. Total compensation paid by an Employer or Affiliate to an individual reportable on Form W-2, determined before giving effect to any Contribution Agreement or any other cash or deferred arrangement described in section 401(k) of the Code or to any similar reduction agreement pursuant to any cafeteria plan (within the meaning of section 125 of the Code) or for purposes of receiving qualified transportation fringe benefits (as described in section 132(f)(4) of the Code). Total Earnings shall exclude salary continuation or other amounts paid under arrangements entered into on or after December 1, 2006, or under prior arrangements if

paid after March 31, 2007, that are effectively in the nature of severance pay. For purposes of Sections 3.3.2 and 3.4.2, Total Earnings for any Plan Year may, in the discretion of the Committee, and effective January 1, 2006, shall be limited to such compensation paid by an Employer or Affiliate to an individual during the period that he is a Member for service as an Eligible Employee. Notwithstanding the foregoing, effective for amounts paid on or after January 1, 2008, Total Earnings shall not include severance pay or parachute payments excludable from Compensation under Section 1.13 above, or other payments or taxable benefits provided after termination of employment unless for services rendered prior to termination and paid either within the calendar year of termination or no later than 2-1/2 months after the date of termination (but excluding post-severance payments in the nature of unused accrued sick, vacation or other bona fide leave payments). Total Earnings taken into account for any Member for any Plan Year shall not exceed the Compensation Limit. If the period for determining Total Earnings is a short plan year (i.e., shorter than 12 months), the annual Total Earnings limit is an amount equal to the otherwise applicable annual Total Earnings limit multiplied by the fraction, the numerator of which is the number of months in the short plan year, and the denominator of which is 12.

1.49 Trust Agreement. The agreement by and between the Committee and the Trustee under which this Plan is funded, as from time to time amended.

1.50 Trustee. The trustee or trustees from time to time designated under the Trust Agreement.

1.51 Valuation Date. A date as of which the Committee revalues and adjusts Accounts in accordance with the daily valuation system described in Section 5.8; provided, however, if any portion of an Account is invested in mutual funds for which the mutual fund sponsor provides a separate accounting for each Member, the Valuation Date for a transaction affecting such portion shall be the date as of which the mutual fund sponsor processes such transaction.

1.52 Vested Percentage. The percentage of a Member's Account or Subaccount which is nonforfeitable pursuant to Article IV.

1.53 Year of Service. A Plan Year during which an employee has not less than one thousand (1,000) Hours of Service, excluding any Plan Year prior to the Plan Year in which the employee attained age 18. Notwithstanding the foregoing, the term “Year of Service” shall not include any Plan Year not taken into account for vesting purposes as of December 31, 1984 under the predecessor plans then in effect as a result of the application of the break rules of those plans as then in effect nor any other Plan Year which was succeeded by five consecutive One-Year Breaks in Service (“Five-Year Break”), if the number of such One-Year Breaks in Service was equal to or in excess of the individual's Years of Service prior to such Five-Year Break and the individual had no nonforfeitable rights under any such plan at the time of the Five-Year Break.

1.54 “Same-sex Marriages”. In order to ensure compliance with those provisions of the Code that limit the term “spouse” to parties to a marriage of individuals of opposite sex, as required by the Federal Defense of Marriage Act, 1 U.S.C.§ 7, the term “spouse” as used in this Plan shall be limited to an individual of opposite sex from the Member, effective September 1, 2006. However, nothing in this Section 1.54 shall limit the ability of any Member to designate a spouse of the same sex as a Beneficiary in accordance with the same rules that permit designation of a non-spouse Beneficiary.

ARTICLE II

Membership

2.1 Membership. Effective March 1, 2004:

2.1.1 Regular Employees. An Eligible Employee who is a "Regular Employee" and who has not previously become a Member shall become a Member on the Entry Date coincident with or next following the completion of one full calendar month beginning on or after his Date of Hire, or if later, the first day of the calendar month in which he has first attained age twenty-one (21). A "Regular Employee" is an employee who is scheduled to customarily work for an Employer for twenty (20) or more hours per week throughout each year (except for holidays and vacations).

2.1.2 Part-Time Employees. An Eligible Employee who is not a "Regular Employee" shall become a Member on the Entry Date coincident with or next following the later of (a) his completion of a 12-consecutive month period starting on his Date of Hire, or on any January 1 thereafter, in which he has 1,000 Hours of Service, or (b) his twenty-first (21st) birthday.

2.1.3 Date of Hire. For purposes of this Section 2.1, the term "Date of Hire" means the date on which an employee first performs an Hour of Service described in Section 1.32.1. An Eligible Employee who starts work on the first business day of a month shall become a Member no later than if he started work on the first day of the month.

2.2 Service with Affiliates. Solely for the purposes of determining (a) whether an employee has met the length of service requirement imposed as a prerequisite for membership in the Plan, or (b) the Hours of Service credited to an employee under the Plan, service with any Affiliate shall be treated as service with an Employer. Notwithstanding any other provision of this Plan, a Member shall be eligible to share in contributions and forfeitures under the Plan only with respect to Compensation paid by an Employer for service as an Eligible Employee (as distinguished from service for any Affiliate).

2.3 Contribution Agreement. A Section 401(k) Member shall be eligible to share in Elective Contributions under Section 3.1, effective for payroll periods ending after the first Entry Date on which he is a Section 401(k) Member, provided that he completes and returns the Contribution Agreement described in Section 3.1.1 to the Committee within such period as the Committee shall prescribe. If a rehired Eligible Employee, or Eligible Employee transferred from ineligible employment, commences or resumes participation as a Section 401(k) Member on his date of transfer or date of rehire pursuant to Section 2.4 or Section 2.6, he shall become eligible to share in Elective Contributions upon execution and filing of an appropriate Contribution Agreement within such period as the Committee shall prescribe, effective as of such date as the Committee shall determine to be administratively practicable. If a Member fails to complete and return a Contribution Agreement within the period prescribed by the Committee, he may begin to share in Elective Contributions under Section 3.1 as of any subsequent Entry Date as of which he is an Eligible Employee, by completing and returning a Contribution Agreement to the Committee within such period as the Committee shall prescribe.

2.4 Transfers.

2.4.1 Transfer to Eligible Employment. If an individual is transferred to employment under which he is eligible for membership in this Plan from employment with an Affiliate or with an Employer in a position not so eligible, he shall become a Member on the later of (a) the date of such transfer, or (b) the Entry Date on which he would have become a Member if his prior employment by the Employer or Affiliate had been in a position eligible for membership in the Plan.

2.4.2 Transfer to Affiliate or Ineligible Employment. If a Member is transferred to employment with (a) an Affiliate or (b) an Employer in a position ineligible for membership in the Plan, he shall not be deemed to have retired or terminated his employment for the purposes of the Plan until such time as he is employed neither by an Employer nor by any Affiliate. Such a Member shall be eligible to share in contributions and forfeitures under the Plan for the Plan Year of such transfer but he shall not be eligible to share in contributions and forfeitures for subsequent Plan Years unless and until he returns to employment as an Eligible Employee. Upon retirement (at or after Normal Retirement Date) or Termination of Employment of such a Member while so employed other than as an Eligible Employee, distribution shall be made in accordance with the Plan as if such Member had so retired, or terminated his employment, while an Eligible Employee.

2.4.3 Contribution Agreement. The Contribution Agreement (if any) of a Member described in Section 2.4.2 shall be suspended until he resumes his status as an Eligible Employee (and Section 401(k) Member).

2.5 Transfers Between Employers. If a Member transfers from employment as an Eligible Employee with one Employer to employment as an Eligible Employee with another Employer: (a) his participation in the Plan shall not be interrupted; and (b) his Contribution Agreement (if any) with his prior Employer shall be deemed to apply to his second Employer in the same manner as it applied to his prior Employer.

2.6 Reemployment. If a Member whose Accounts are not vested in whole or in part, or an employee who has not become a Member, terminates employment and is subsequently rehired as an Eligible Employee after five or more consecutive One-Year Breaks in Service, he shall upon rehire be treated as a new employee for all purposes of this Plan. In all other cases, (a) a Member who terminates employment and is subsequently rehired as an Eligible Employee shall become a Member immediately upon rehire, and (b) an employee who meets the age and service requirements for Membership in this Plan as of an Entry Date during a period of absence from employment shall become a Member upon termination of such absence if he is then an Eligible Employee.

2.7 Service with Predecessors or Affiliates, or as an Ineligible Employee.

2.7.1 In determining when an Eligible Employee shall become a Member and such Eligible Employee's Hours of Service and Years of Service, employment with (i) one or more predecessors of an Employer or Affiliate or (ii) a corporation or other entity which was not an Employer or Affiliate at the time of reference but which later became such, shall not be taken into account except as otherwise provided in Section 2.7.2 or any Supplement.

2.7.2 In determining when an Eligible Employee shall become a Member and such Eligible Employee's Hours of Service and Years of Service, employment with or severance from (i) one or more predecessors of an Employer or Affiliate or (ii) a corporation or other entity which was not an Employer or Affiliate at the time of reference but which later became such, shall be treated as employment with or severance from an Employer or Affiliate to the extent required by law or to the extent determined by the Company Representative in its discretion exercised in a manner that does not discriminate in favor of Highly Compensated Employees.

ARTICLE III

Contributions

3.1 Elective Contributions.

3.1.1 Election of Amount. In order to share in Elective Contributions, a Member must be a Section 401(k) Member and agree in his Contribution Agreement to reduce his Compensation otherwise payable in cash for each payroll period by such whole percentage as he shall elect, which prior to March 1, 2004 shall not exceed ten percent (10%), and thereafter shall not exceed such applicable percentage as the Committee may from time to specify, which may either be a uniform percentage for all Section 401(k) Members, or be determined separately for Highly Compensated Employees or non-Highly Compensated Employees, respectively, as the Committee determines in its discretion; provided, that a whole percentage shall not be required if necessary or appropriate to comply with any applicable limitations on the amount of Elective Contributions permitted. The Section 401(k) Member's Employer shall contribute to the Plan as Elective Contributions, as soon as reasonably practicable after the close of each payroll period for which such Contribution Agreement is in effect, an amount equal to the elected and applicable reduction in the Section 401(k) Member's Compensation otherwise payable in cash for such payroll period. Any Elective Contribution in excess of 6% shall not be eligible for Matching Contributions under Section 3.2. In no event shall the limits under Section 3.3 be exceeded. The Committee shall decrease the amount of reduction of Compensation under a Section 401(k) Member's Contribution Agreement for any payroll period to the extent the sum of such reduction, the amount of the Section 401(k) Member's deductions for such payroll period for welfare benefits sponsored by the Employer, any withholding from pay required by law and any other deductions requested by the Section 401(k) Member which under the Employer's payroll procedure are treated as a priority claim relative to the contributions to this Plan, exceeds the Section 401(k) Member's Compensation for such payroll period.

3.1.2 Change in Contribution Rate. A Section 401(k) Member who has a Contribution Agreement in effect may increase or decrease the amount of reduction thereunder of his Compensation otherwise payable in cash within the limits specified in Section 3.1.1 by giving notice on the Appropriate Form to the Committee within such period as the Committee shall prescribe. Such change shall be effective commencing with the first payroll period for which it can be given effect under the procedures established by the Committee.

3.1.3 Deemed Election. Effective January 1, 2008, a Section 401(k) Member who has not affirmatively entered into a Contribution Agreement as above provided may be deemed to have entered into such an Agreement in accordance with and subject to the auto-enrollment provisions Article XVII.

3.1.4 Voluntary Suspension. A Member may voluntarily suspend his Contribution Agreement effective as soon as practicable by giving notice to the Committee on the Appropriate Form.

3.1.5 Mandatory Suspension.

3.1.5.1 Hardship Withdrawal from Elective Account. The Contribution Agreement of a Member who makes a withdrawal pursuant to Section 7.2.4 shall be suspended as of the payroll period in which the withdrawal is made until the next Entry Date that is at least six months after the date of such withdrawal (or January 1, 2002, if later).

3.1.5.2 Reinstatement. A Member may reinstate his Contribution Agreement under this Plan as of the next Entry Date following a period of mandatory suspension under this Section 3.1.5, or any subsequent Entry Date, by giving written notice to the Committee on the Appropriate Form within such period as the Committee shall prescribe.

3.1.6 Dollar Limitation. A Section 401(k) Member's Elective Contributions shall be discontinued for the remainder of a Plan Year when in the aggregate they equal the Elective Deferral Limit for such Plan Year, except that Catch-up Contributions may continue to the extent permitted under Article XVI. Notwithstanding any other provisions of this Plan, except to the extent permitted under Article XVI. No Section 401(k) Member may elect to reduce his Compensation pursuant to Section 3.1.1 for a Plan Year by an amount in excess of the Elective Deferral Limit, nor shall any such excess be contributed to the Plan as Elective Contributions or allocated to a Section 401(k) Member's Elective Account.

3.1.7 Determination of Total Excess Deferrals. The term “Excess Deferrals” shall mean (i) “elective deferrals” (as defined in section 402(g)(3) of the Code, but excluding deferrals qualifying as catch-up contributions under section 414(v) of the Code) made by a Member during the calendar year under this Plan in excess of the Elective Deferral Limit, plus (ii) in the event the Member is eligible to make such catch-up contributions under Article XVI or under any other plan of an Employer or Affiliate (“Controlled Group Plan”), the amount of such catch-up contributions in excess of the limit set forth in Section 16.4 for such year made under this Plan or under such other plan.

3.1.8 Distribution of Excess Deferrals (Regular or Catch-up). If a Member has made Excess Deferrals for any Plan Year, the Committee shall, after consultation with the named fiduciary of any applicable other Controlled Group Plan, determine the portion of such Excess Deferrals to be assigned to this Plan (which shall be the total Excess Deferrals less the portion thereof assigned to another Controlled Group Plan) and distribute the portion thereof so assigned, adjusted for any (i) income or loss attributable thereto for such Plan Year and, (ii) effective solely for the 2007 Plan Year, “gap period” income or loss from the end of the Plan Year to the date of distribution determined in accordance with such method authorized under applicable regulations as the Committee shall specify. The amount to be distributed for a Plan Year shall be adjusted to reflect the amount of Elective Contributions previously distributed by the Plan on or after the beginning of such Plan Year in order to comply with the limitations of Section 3.3. If the Member's Elective Account is invested in more than one Investment Fund, such distribution shall be made pro rata, to the extent practicable, from all such Investment Funds. In order to receive such excess Elective Contributions, the Member must deliver a written claim to the Committee by March 1 of the Plan Year of distribution. Such claim must include (i) a statement that the Member's Elective Deferral Limit will be exceeded unless the excess Elective Contributions are distributed and (ii) an agreement to forfeit Matching Contributions made with respect to such excess Elective Contributions and allocated to his Matching Account (if any). Matching Contributions forfeited pursuant to this Section 3.1.8 shall be applied to reduce contributions by

the Employer hereunder. If a Member's has made Excess Deferrals as a result of contributions to this Plan and any other plans or agreements maintained by an Employer or Controlled Group Affiliate, the Committee shall deem such a claim to have been delivered by the Member and distribute the excess no later than April 15 of the following year.

3.2 Matching Contributions.

3.2.1 Amount. The Employer shall make Matching Contributions to the Plan with respect to each calendar month for which a Section 401(k) Member has a Contribution Agreement in effect, in an amount equal to 50% of such Section 401(k) Member's Elective Contributions for each payroll period ending in such month (but excluding any such Elective Contributions in excess of 6% of the Section 401(k) Member's Compensation for that payroll period).

3.2.2 Payment. Matching Contributions for a month shall be paid in cash to the Trustee during or as soon as reasonably practicable after the end of such month.

3.2.3 Matching Contributions Only for Permissible Elective Contributions. No Matching Contributions shall be made with respect (i) to amounts distributable (or recharacterized as Catch-up Contributions) pursuant to Section 3.3.4, (ii) Elective Contributions in excess of the Elective Deferral Limit as described in Section 3.1.6, or (iii)) with respect to Catch-up Contributions or Elective Contributions designated as Catch-up Contributions but which fail to qualify as such as provided in Section 16.6. Any amounts paid into the Fund with the intention that they constitute Matching Contributions with respect to such amounts shall be retained in the Fund and applied to meet the obligation of the Employer to make contributions under this Article III.

3.3 Section 401(k) Limit on Elective Contributions.

3.3.1 In General. Notwithstanding anything in this Plan to the contrary, Elective Contributions for any Plan Year for a Section 401(k) Member who is a Highly Compensated Employee for that Plan Year shall be reduced if and to the extent deemed necessary or advisable by the Committee in order that the “average deferral percentage” (as defined in Section 3.3.2) for Section 401(k) Members who are Highly Compensated Employees for that Plan Year shall not exceed the percentage determined in the following schedule, based on the average deferral percentage for the Applicable Plan Year for all Section 401(k) Members who are not Highly Compensated Employees for such Applicable Plan Year:

Column 1	Column 2
Average Deferral Percentage for Section 401(k) Members Who Are Not Highly Compensated Employees for the Applicable Plan Year	Average Deferral Percentage for Section 401(k) Members Who Are Highly Compensated Employees for the Plan Year
Less than 2%	Two (2) times the percentage in Column 1
2% - 8%	The percentage in Column 1, plus 2%
More than 8%	One and one-quarter (1-1/4) times the percentage in Column 1

The status of an individual as a non-Highly Compensated Employee for an Applicable Plan Year shall be determined based on the definition of Highly Compensated Employee in effect for such Applicable Plan Year.

3.3.2 Determination of Average Deferral Percentages. Notwithstanding anything in this Plan to the contrary, for purposes of this Section 3.3, the average deferral percentage for any group of individuals for a Plan Year (including an Applicable Plan Year) means the average of the individual ratios, for each person in such group, of (i) his share of Elective Contributions (exclusive of Catch-up Contributions) for the Plan Year to (ii) his Total Earnings for such Plan Year (or, if applicable, the portion thereof in which the individual is both a Member and an Eligible Employee). The individual ratios, and the average deferral percentage for any group of individuals, shall be calculated to the nearest one-hundredth of one percent (0.01%). For purposes of calculating the average deferral percentage, Qualified Nonelective Contributions under Section 3.5.4 may be taken into account as Elective Contributions if the conditions of the applicable regulations under section 401(k) of the Code (set forth as Treas. Reg. § 1.401(k)-2(a)(6) effective January 1, 2006, and previously as Treas. Reg. § 1.401(k)-1(b)(5)) and other applicable guidance are met. The Committee shall determine, during and as of the end of each Plan Year, the average deferral percentages relevant for purposes of this Section 3.3, based on Members' Contribution Agreements and projected Total Earnings then in effect for Section 401(k) Members. If, based on such determination, the Committee concludes that a reduction in the Elective Contributions made for any Section 401(k) Member is necessary or advisable in order to comply with the limitations of this Section 3.3, he shall so notify each affected Section 401(k) Member and his Employer of the reduction he deems necessary or desirable for this purpose. In such event, the allowable Elective Contributions under Section 3.1.1 shall be reduced in accordance with the direction of the Committee, and the Contribution Agreement of each Section 401(k) Member affected by such determination shall be modified accordingly. Any such reduction may apply either to all Section 401(k) Members, only to Section 401(k) Members who are Highly Compensated Employees, or to any other group as the Committee shall determine, in such manner as the Committee shall determine.

3.3.3 Calculation of Excess Contributions. Notwithstanding anything in this Plan to the contrary, for purposes of this Section 3.3, the amount of "Excess Contributions" for Highly Compensated Employees means, with respect to any Plan Year, the excess of (a) the aggregate amount of Elective Contributions (exclusive of Catch-up Contributions) actually paid into the Plan on behalf of Highly Compensated Employees for such Plan Year, over (b) the maximum amount of Elective Contributions permitted for such Plan Year under the limitations set forth in Section 3.3.1,

determined by reducing the amount of Elective Contributions to be permitted on behalf of Highly Compensated Employees in the order of their individual ratios (as determined under Section 3.3.2) beginning with the highest of such ratios.

3.3.4 Correction by Distribution (or Recharacterization as Catch-up Contributions) .The aggregate amount of any Excess Contributions determined for any Plan Year under Section 3.3.3 shall be distributed in cash to Highly Compensated Employees on the basis of the respective amounts of Elective Contributions (and amounts taken into account as Elective Contributions) made on their behalf, reducing the largest amounts of Elective Contributions first, and successively to the extent necessary until the entire amount of such Excess Contributions is distributed. Notwithstanding the foregoing, to the extent that the Highly Compensated Employee (i) is eligible to make Catch-up Contributions under Article XVI and (ii) has failed to make the maximum dollar amount of such Catch-up Contributions permitted for such Plan Year under Section 16.4, the amount otherwise distributable hereunder shall instead be recharacterized as Catch-up Contributions and retained in the Plan up to the excess of such dollar limit in Section 16.4 over the amount of Catch-up Contributions otherwise made for such year under Article XVI.

3.3.5 Time and Manner of Corrective Distribution. The amount of Excess Contributions for any Highly Compensated Employee for any Plan Year not recharacterized as Catch-up Contributions under Section 3.3.4 shall be distributed in cash to such Highly Compensated Employee no later than March 15 of the following Plan Year if possible, and in any event no later than the close of such following Plan Year. If such Member's Account is invested in more than one Investment Fund, such distribution shall be made pro rata, to the extent practicable, from all such Investment Funds. The amount thus distributed shall be adjusted for income or loss attributable thereto for the Plan Year for which such amount was paid into the Plan and, effective for the Plan Years 2006 and 2007, for the period from the last day of the Plan Year to the date of distribution or such date within seven business days prior thereto as the Plan recordkeeper shall determine to be practicable.

3.3.6 Adjustment of Contributions Based on Limit on Annual Additions . Notwithstanding any of the foregoing provisions to the contrary, a Member may, at such time and in such manner as the Committee may prescribe, suspend or change the amount of reduction in Compensation provided for under any applicable Contribution Agreement in order to avoid an allocation of contributions to his Account which would violate the limitations of this Section 3.3, Section 3.4 or Article VI.

3.4 Section 401(m) Limit on Matching Contributions .

3.4.1 In General. Notwithstanding anything in this Plan to the contrary, Matching Contributions for any Plan Year for a Section 401(k) Member who is a Highly Compensated Employee for that Plan Year shall be reduced if and to the extent deemed necessary or advisable by the Committee in order that the "contribution percentage" for Section 401(k) Members who are Highly Compensated Employees for that Plan Year shall not exceed the percentage determined in the following schedule, based on the "contribution percentage" for the Applicable Plan Year for all Section 401(k) Members who are not Highly Compensated Employees for the Plan Year:

Column 1 Contribution Percentage for Section 401(k) Members Who Are Not Highly Compensated Employees for the Applicable Plan Year	Column 2 Contribution Percentage for Section 401(k) Members Who Are Highly Compensated Employees for the Plan Year
Less than 2%	Two (2) times the percentage in Column 1
2% - 8%	The percentage in Column 1, plus 2%
More than 8%	One and one-quarter (1-1/4) times the percentage in Column 1

In determining the permitted Contribution Percentage for Highly Compensated Employees, the Applicable Plan Year for non-Highly Compensated Employees shall be the same as determined under Section 3.3.1. The status of an individual as a non-Highly Compensated Employee for an Applicable Plan Year shall be determined based on the definition of Highly Compensated Employee in effect for such Applicable Plan Year.

3.4.2 Determination of Contribution Percentages. Notwithstanding anything in this Plan to the contrary, for purposes of this Section 3.4, the "contribution percentage" for any group of individuals means the average of the individual ratios, for each person in such group, of (a) his share of Matching Contributions for the Plan Year (including an Applicable Plan Year) to (b) his Total Earnings for such Plan Year (or, if applicable, the portion thereof in which the individual is both a Member and an Eligible Employee). The individual ratios, and the "contribution percentage" for any group of individuals, shall be calculated to the nearest one-hundredth of one percent (0.01%). For purposes of calculating the contribution percentage, Qualified Nonelective Contributions under Section 3.5.4 and Elective Contributions under Section 3.1.1 may be taken into account as Matching Contributions if the conditions of the applicable regulations under section 401(m)(3) of the Code (which are set forth in Treas. Reg. § 1.401(m)-1(b)(5) prior to January 1, 2006 and thereafter Treas. Reg. § 1.401(m)-2(a)(6)) and other applicable guidance, are met to the extent such contributions are not taken into account for purposes of the average deferral percentage test pursuant to Section 3.3.2. If, based on a review of Contribution Agreements and projected Total Earnings similar to those described in Section 3.3.2, the Committee shall conclude that a reduction in the Matching Contributions made for any Member is necessary or advisable in order to comply with the limitations of this Section 3.4 for any Plan Year, the amount of such contributions shall be reduced in accordance with the direction of the Committee. Without limiting the generality of the foregoing, any such reduction may be made applicable to all Section 401(k) Members, only to Section 401(k) Members who are Highly Compensated Employees, or to any other group as the Committee shall determine, and in such manner as the Committee shall determine.

3.4.3 Treatment of Excess Matching Contributions. Notwithstanding anything in this Plan to the contrary, for purposes of this Section 3.4, the amount of "excess Matching Contributions" for any Highly Compensated Employees means, with respect to any Plan Year, the excess of (a) the total aggregate amount of Matching Contributions actually paid into the Plan on behalf of Highly Compensated Employees for such Plan Year, over (b) the maximum

amount of Matching Contributions permitted for such Plan Year under the limitations set forth in Section 3.4.2, determined by reducing the amount of Matching Contributions permitted on behalf of the Highly Compensated Employee in the order of their individual ratios (as determined under Section 3.4.2) beginning with the highest such ratio. The aggregate amount of excess Matching Contributions so determined for any Plan Year shall be attributed to Highly Compensated Employees on the basis of the respective amounts of Matching Contributions made on their behalf, reducing the largest amounts of Matching Contributions first, and successively to the extent necessary until the entire amount of such excess Matching Contributions is allocated. The amount so attributed to a Highly Compensated Employee shall be forfeited. Any excess Matching Contributions not so forfeited shall be paid to the Member. Such payment shall be made in cash no later than March 15 of the following Plan Year if possible, and in any event no later than the close of the following Plan Year.

3.4.4 Income on Excess Matching Contributions. The amount of excess Matching Contributions distributed or forfeited pursuant to Section 3.4.3 shall be adjusted for income or loss attributable thereto for the Plan Year for which such excess was paid into the Plan and, effective for the Plan Years 2006 and 2007, for the period from the last day of the Plan Year to the date of distribution or such date within seven business days prior thereto as the Plan recordkeeper shall determine to be practicable. If any Account from which a distribution or forfeiture is to be made pursuant to this Section 3.4 is invested in more than one Investment Fund, such distribution or forfeiture shall be made pro rata, to the extent practicable, from all such Investment Funds.

3.5 Special Rules Relating to Elective Contributions and Matching Contributions.

3.5.1 Multiple Arrangements for Highly Compensated Employees Combined. If more than one plan providing a cash or deferred arrangement, or for matching contributions, or employee contributions (within the meaning of sections 401(k) and 401(m) of the Code) is maintained by the Employer or an Affiliate, the individual ratios of any Highly Compensated Employee who participates in more than one such plan or arrangement shall, for purposes of determining the "average deferral percentage" (as defined in Section 3.3.2) and "contribution percentage" (as defined in Section 3.4.2) for all such arrangements, be determined as if all such arrangements were a single plan or arrangement.

3.5.2 Aggregation of Plans. In the event that this Plan satisfies the requirements of section 410(b) of the Code only if aggregated with one or more other plans, then this Article III shall be applied by determining the "average deferral percentage" and "contribution percentage" of Members as if all such plans were a single plan. Plans may be aggregated under this Section 3.5.2 only if they have the same plan year.

3.5.3 Status as Section 401(k) Member. For purposes of Sections 3.3 and 3.4, an individual shall be treated as a Section 401(k) Member for a Plan Year if he so qualifies for any part of the Plan Year, and whether or not his right to share in Elective Contributions has been suspended under Section 3.1.5. Notwithstanding the foregoing, in applying such Sections an individual shall not be treated as a Section 401(k) Member for an Applicable Plan Year during which he is not a Highly Compensated Employee except for periods after he has met the minimum age and service requirements of section 410(a)(1)(A) of the Code, if (a) the Committee elects to

exclude all employees who have not met such minimum age and service requirements in accordance with section 410(b)(4)(B) of the Code, and (b) the Plan complies with section 410(b) of the Code on that basis.

3.5.4 Qualified Nonelective Contributions. For each Plan Year that the Plan is in effect, each Employer may contribute to the Fund, in cash, such additional amounts (if any) as the Board of Directors shall, in its sole discretion, determine to be necessary or desirable in order to meet the requirements of Sections 3.3 and 3.4 for such Plan Year. The Board of Directors shall designate any such amounts as "qualified nonelective contributions" within the meaning of section 401(m)(4)(C) of the Code ("QNECs") and shall determine the group of Members eligible to share in such qualified nonelective contributions, the method of apportionment under which such eligible Members shall share in such contributions and the Accounts under the Plan in which such contributions, together with the Investment Adjustments attributable thereto, shall be maintained. Such additional contributions shall be credited, as of the last day of the Plan Year for which made, to the Accounts of such eligible Members and shall be paid to the Trust Fund no later than October 15 of the following Plan Year. Anything in this Plan to the contrary notwithstanding, each Member shall at all times have a fully vested and nonforfeitable right to 100% of the amounts in his Accounts attributable to QNECs at all times, and such contributions shall be treated as Elective Contributions for purposes of determining whether they may be distributed under the Plan except as otherwise provided in Section 7.2.4. At the direction of the Committee, QNECs may be used to satisfy the Average Deferral Percentage test under Section 3.3.2 if applicable regulations under section 401(k) of the Code (which are set forth in Treas. Reg. § 1.401(k)-2(b)(6) effective January 1, 2006) and other applicable guidance are met, or the Contribution Percentage test under Section 3.4.2 if applicable regulations under section 401(m)(3) of the Code (which are set forth in Treas. Reg. § 1.401(m)-2(a)(6) effective January 1, 2006) and other applicable guidance are met. QNECs shall be nonforfeitable when made without regard to the age and service of the Members to whom they are allocated, and for Plan Years beginning on or after January 1, 2006, shall not exceed five percent of Total Earnings in the case of Members who are non-Highly Compensated Employees (or, if greater, twice the Plan's representative contribution rate as defined in Treas. Reg. § 1.401(k)-2(a)(6)(iv) or any successor regulation).

3.6 Discretionary Contributions.

3.6.1 Amount of Contributions. For each Plan Year, the Company and each other Employer, shall contribute to the Plan such amount (if any) as the Board of Directors shall determine in its sole discretion. The Company may make the Discretionary Contribution so determined for any other Employer as agent for and on behalf of such Employer. Discretionary Contributions shall be allocated to the Accounts of eligible Members in the same proportion that each Member's Compensation for the Plan Year bears to the total Compensation of all such Members for the Plan Year.

3.6.2 Eligibility for Discretionary Contribution. A Member shall not be eligible to share in a Discretionary Contribution, to the extent applicable, until the first January 1 or July 1 coincident with or next following the later of (a) his completion of a 12-consecutive month period starting on his Date of Hire, if he renders at least 1,000 Hours of Service during such 12-consecutive month period or, if he does not render at least 1,000 Hours of Service during such 12-consecutive month period, the first Plan Year (beginning after his Date of Hire) during which he has renders at least 1,000 Hours of Service, or (b) his twenty-first (21st) birthday. In addition, a Member shall not be eligible to share in a Discretionary Contribution for a particular Plan Year if

he is has not rendered at least 1,000 Hours of Service during such Plan Year and is not an Eligible Employee on the last day of such Plan Year, unless he ceased to be an Eligible Employee during the Plan Year by reason of death, Disability, termination of employment after attaining age 60 with at least 10 Years of Service or retirement at or after his Normal Retirement Date. A Member's Compensation prior to the Entry Date he is eligible for Discretionary Contributions pursuant to this Section 3.6.2 shall not be taken into account in determining any share in a Discretionary Contribution to which he may become entitled for purposes of the allocation described in 3.6.1 above.

3.7 Rollovers. An Eligible Employee shall be entitled to make a contribution in the form of a direct rollover to the Plan ("Rollover Contribution") upon furnishing evidence satisfactory to the Committee that such contribution qualifies as an "eligible rollover distribution" from a qualified plan described in section 401(a) or 403(a) of the Code, an annuity contract described in section 403(b) of the Code, an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state; provided, that no such rollover shall include any after-tax contributions. All Rollover Contributions shall be received and held in the Fund, and shall be credited to the Eligible Employee's Rollover Account as of such date as the Committee shall specify. At the time a Rollover Contribution is made, the Eligible Employee shall designate (in a manner consistent with Section 5.3) how that Rollover Contribution is to be allocated among the Investment Funds, without regard to the manner in which his other Accounts (if any) are invested; thereafter, reallocation of Account balances (including the Rollover Account) may be made only in accordance with the provisions of Section 5.3. An Eligible Employee who makes a Rollover Contribution shall be deemed a Member solely with respect to his Rollover Account until he otherwise becomes a Member in accordance with Section 2.1.

3.8 Maximum Limit on Allocation. If the allocations to a Member's Accounts otherwise required under this Plan for any Plan Year would cause the limitations of Article VI to be exceeded for that Plan Year, contributions (and forfeitures in lieu thereof) under this Article III shall be reduced to the extent necessary in order to comply with the limitations of Article VI, with such reductions to be made in the following order: (i) first to Elective Contributions which do not relate to Matching Contributions (i.e., Elective Contributions for any payroll period in excess of 6% of the Member's Compensation for such payroll period), (ii) second to the Member's remaining Elective Contributions and Matching Contributions relating thereto and (iii) third to Discretionary Contributions for such Member.

3.9 Form and Time of Payment. Elective Contributions shall be transferred to the Trust Fund in cash as soon as administratively practicable after they are deducted from the Compensation of the Member and, except as may be occasionally required by bona fide administrative considerations, shall in no event be transferred before the applicable election is made, or before the performance of services with respect to which such Compensation is paid (or when such Compensation would be currently available, if earlier). QNECs shall be made in cash no later than the time prescribed by Section 3.5.4.

3.10 Contributions May Not Exceed Amount Deductible. In no event shall contributions under this Article III for any taxable year exceed the maximum amount (including amounts carried forward) deductible for that taxable year under section 404(a)(3) of the Code.

3.11 Contributions Conditioned on Deductibility. Notwithstanding any other provision of the Plan, each contribution by an Employer under this Article III is conditioned on the

deductibility of such contribution under section 404 of the Code for the taxable year for which contributed.

3.12 Expenses. Except to the extent paid by an Employer, the expenses of the administration of the Plan shall be deemed to be expenses of the Fund and shall be paid therefrom.

3.13 No Employee Contributions. Other than as provided in Section 3.7, Members shall not be eligible to make contributions under the Plan. (Elective and Matching Contributions, and qualified nonelective contributions made pursuant to Section 3.5.6, are to be treated solely as contributions made by the contributing Employer, and are not to be treated for any purpose as contributions made by a Member.)

3.14 Profits Not Required. Each Employer shall, notwithstanding any other provision of the Plan, make all contributions to the Plan without regard to current or accumulated earnings and profits. Notwithstanding the foregoing, the Plan shall be designated to qualify as a profit-sharing plan for purposes of sections 401(a), 402, 404, 412 and 417 of the Code.

3.15 Contributions for Military Service. Effective December 12, 1994, notwithstanding any provisions of this Plan to the contrary, contributions and service credit shall be made with respect to a period in which an individual would have been an Eligible Member but for his Military Service (as defined in Section 1.32.3) to the extent required by Chapter 43 of Title 38 of the United States Code (USERRA). The amount of any such Elective Contributions and of Matching Contributions in respect thereof shall be based upon such individual's election made following his return to employment with the Employer following such Military Service (and within the time during which he had reemployment rights) in accordance with procedures established by the Committee; provided that no such Elective Contributions may exceed the amount the individual would have been permitted to elect to contribute had the individual remained continuously employed by the Employer throughout the period of such Military Service (and Matching Contributions shall be limited accordingly). Such contributions shall be taken into account as Annual Additions for purposes of Section 3.3.4 and Article VI in the Limitation Year to which they relate, and for purposes of applying the Elective Deferral Limit or limit on Catch-up Contributions in Section 16.4 in the calendar year to which they relate, rather than in the Limitation Year or calendar year in which made, and shall be disregarded for purposes of applying the limits described in Sections 3.3 and 3.4. Any such contribution shall be made no later than five years from the date of such return to employment or, if less, a period equal to three times the period of such Military Service.

3.16 Military Service. Notwithstanding any provisions of this Plan to the contrary, contributions shall be made with respect to a period in which an individual would have been an Eligible Employee Member but for his military service to the extent required by Chapter 43 of Title 38 of the United States Code (USERRA) and/or the Heroes Earnings Assistance and Relief Tax Act of 2008 and guidance thereunder ("HEART Act") and as authorized by section 414(u) of the Code. In accordance with the foregoing:

3.16.1 Return to Employment. The amount of any contributions in the nature of elective deferrals shall be based upon such individual's election made following his return to employment with an Employer following such military service and within the time during which he had reemployment rights, in accordance with procedures established by the Plan administrator; provided that no such contributions may exceed the amount the individual would

have been permitted to elect to contribute had the individual remained continuously employed by the Employer throughout the period of such military service. Such contributions (and Matching Contributions) shall be taken into account as Annual Additions for purposes of Section 3.3.6 and Article VI in the Limitation Year to which they relate and for purposes of applying the Elective Deferral Limit in the calendar year to which they relate, rather than in the Limitation Year or calendar year in which made, and shall be disregarded for purposes of applying the limits described in Section 3.3 and 3.4. Any such contributions shall be made no later than five years from the date of such return to employment or, if less, a period equal to three times the period of such military service.

3.16.2 Death during Military Service. Effective January 1, 2007, if a Member dies while performing qualified military service (as defined in section 414(u) of the Code), the beneficiary(ies) of such Member shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would have been available had the Member resumed and then terminated employment on account of death, to be determined in accordance with HEART Act.

3.16.3 Differential Wage Payments. Effective January 1, 2009, if the Company shall make differential wage payments within the meaning of Code section 3401(h)(2) to an individual who has entered the uniformed services as described therein, the differential wage payment shall be treated as eligible compensation for purposes of the Plan; provided, however, that if the individual elects (after at least 30 days of such service) to receive a distribution in respect of his elective deferrals hereunder, his right to make further elective deferrals hereunder shall be suspended during the six-month period beginning on the date of distribution.

ARTICLE IV

Vesting

4.1 Elective Account and Rollover Account. A Member's interest in his Elective Account and Rollover Account shall have a Vested Percentage of 100% and be nonforfeitable at all times.

4.2 Employer Contribution Account.

Vesting Schedule. Upon a Member's Termination of Employment for a reason other than death, retirement at or after his Normal Retirement Date, or Disability, he shall be entitled to a benefit based on his Vested Percentage in his Employer Contribution Account in accordance with the following schedule:

Years of Service	Vested Percentage
1	0%
2	20%
3	40%
4	60%
5 or more	100%

A Member who had a vested or partially vested account under Part III of the Arrow Electronics ESOP and Capital Accumulation Plan on January 1, 1984 shall have a Vested Percentage of 100%, without regard to his actual Years of Service.

4.2.1 Earlier Vesting. Notwithstanding any other provision hereof, a Member's interest in his Employer Contribution Account shall have a Vested Percentage of 100% and be nonforfeitable: (a) on the date of his Termination of Employment by reason of death or Disability; (b) upon his attainment of his Normal Retirement Date (or any higher age) while employed by an Employer or an Affiliate; (c) when and if this Plan shall at any time be terminated for any reason; (d) upon the complete discontinuance of contributions by all Employers hereunder; or (e) upon partial termination of this Plan (within the meaning of section 411(d)(3) of the Code) if such Member is a Member affected by such partial termination. Effective January 1, 2007, a Member who dies while performing qualified military service (as defined in section 414(u) of the Code) shall receive the same death benefits that would have been payable had he been actively employed at the time of death. Accordingly, a Member's Account shall be fully vested upon such event irrespective of his Years of Service.

4.3 Forfeitures. The non-vested portion of a terminated Member's Employer Contribution Account shall be forfeited upon the distribution of the vested portion of the Member's Accounts. If such a Member is reemployed by an Employer or Affiliate before incurring five consecutive One-Year Breaks in Service, the amount so forfeited shall be restored to his Matching Account and/or Discretionary Account, as applicable, and the Member shall resume his place on the vesting schedule set forth in Section 4.2. However, if the reemployed Member previously received a distribution from the vested portion of his Matching Account and/or Discretionary Contribution Account, his vested interest in such account or accounts after such restoration of the

non-vested balance shall be expressed by the formula:

$$X=P(A + D) - D$$

where X is the Member's vested interest in the applicable Matching Account and/or Discretionary Contribution Account; P is the Member's Vested Percentage in his Matching Account and/or Discretionary Contribution Account determined under Section 4.2.1.2 without regard to this sentence; A is the amount of the balance of such Account or Accounts after restoration; and D is the amount of the distribution previously made to him in respect of his Matching Account and/or Discretionary Contribution Account. The restoration of a portion of a Member's Employer Contribution Account shall be made first from available forfeitures and, if necessary, by a special Employer contribution made for that purpose.

4.4 Irrevocable Forfeitures. Notwithstanding anything to the contrary in this Article IV, the unvested portion of a Member's Employer Contribution Account shall be irrevocably forfeited if he incurs five consecutive One-Year Breaks in Service and shall therefore not be restored for any reason, notwithstanding any subsequent reemployment.

4.5 Application of Forfeitures. Effective January 1, 2012, all forfeitures, whether pursuant to the foregoing provisions of Sections 4.3 and 4.4 or effected to correct excess or improper contributions or allocations under the Plan, shall be applied (i) to pay administrative expenses of the Plan that the Company does not elect to pay in lieu of payment by the Plan (including reasonable administrative expenses incurred or authorized by the Committee under Section 10.3), and/or (ii) to reduce future employer contributions under the Plan, including, without limitation, any reinstatement of previously forfeited amounts..

ARTICLE V

Accounts and Designation of Investment Funds

5.1 Investment of Account Balances. The Committee shall direct the Trustee to divide the Fund into three or more Investment Funds, which shall have such investment objectives and characteristics as the Committee shall determine and in which a Member's Account shall be invested according to the Member's instructions pursuant to Sections 5.2 through 5.4. Notwithstanding its stated primary investment objectives, any Investment Fund may make or retain investments of such nature, or such cash balances, as may be necessary or appropriate in order to effect distributions or to meet other administrative requirements of the Plan.

5.2 Designation of Investment Funds for Future Contributions. A Member may designate the percentage of his share of future contributions which is to be allocated to each Investment Fund. The Committee shall from time to time determine the minimum percentage, and the multiples thereof, that may be invested in any Investment Fund. Such designation shall be given on the Appropriate Form, and the Member shall have the opportunity to obtain written confirmation of each such designation. In the event that a Member fails to make such a designation, all contributions for such Member shall be invested in the Investment Fund selected by the Committee in its sole discretion. Any designation under this Section 5.2 shall be effective as of the first date for which it can be given effect under the procedures established by the Committee, and continue in effect until changed by the filing of a new designation under this Section 5.2.

5.3 Designation of Investment Funds for Existing Account Balances. A Member may, by giving notice to the Committee on the Appropriate Form designate the percentage of the then existing balance of his Accounts which shall be invested in each Investment Fund. The Committee may from time to time determine the minimum percentage, and the multiples thereof, that may be invested in any Investment Fund, and may limit transfers among Investment Funds if and to the extent necessary to meet the requirements of any "stable value" or similar Fund that may require such a limitation. Any designation under this Section 5.3 shall be effective as of the first date for which it can be given effect under the procedures established by the Committee. A Member shall have the opportunity to obtain written confirmation of each such designation. Following a Member's death and pending distribution in respect of his Accounts, his Beneficiary shall have the rights provided under this Section 5.3 with respect to the portion of the Accounts from which such Beneficiary will receive a distribution.

5.4 Valuation of Investment Funds. As of each Valuation Date, the Committee shall determine the net fair market value of the assets of each Investment Fund, and based on such valuation shall proportionately adjust each of a Member's Accounts to reflect its allocable Investment Adjustment; provided, however, that no Account shall share in such allocation after the Valuation Date established for distribution thereof. A Member's interest in each Investment Fund shall be reduced by the amount of distributions or withdrawals therefrom (including transfers to any other Investment Fund) and by any charges thereto as of such preceding Valuation Date pursuant to Sections 7.2 and 7.3 (relating to withdrawals and loans) and shall be increased by the amount of any transfers thereto from any other Investment Fund, in such manner as the Committee may deem appropriate.

5.5 Correction of Error. The Committee may adjust the Accounts of any or all Members or Beneficiaries in order to correct errors or rectify omissions, including, without limitation, any allocation to a Member's Elective Account made in excess of the Elective Deferral Limit, in such manner as he believes will best result in the equitable and nondiscriminatory administration of the Plan.

5.6 Allocation Shall Not Vest Title. The fact that allocation is made and amounts credited to a Member's Account shall not vest in such Member any right, title or interest in and to any assets except at the time or times and upon the terms and conditions expressly set forth in this Plan, nor shall the Trustee be required to segregate physically the assets of the Fund by reason thereof.

5.7 Statement of Accounts. The Committee shall distribute to each Member a statement showing his interest in the Fund at least quarterly.

5.8 Daily Valuation. The Plan shall use a daily valuation system, which generally shall mean that Accounts will be updated each Valuation Date to reflect activity for that day, such as new contributions received by the Trustee, withdrawals or other distributions, changes in the Member's investment elections, and changes in the value of the Investment Funds under the Plan. Such daily valuation shall be dependent upon the Plan's recordkeeper, which may be a mutual fund sponsor, receiving complete and accurate information from a variety of different sources on a timely basis. It is understood that events may occur that cause a delay or interruption in that process, affecting a single Member or a group of Members, and there shall be no guarantee by the Plan that any given transaction will be processed on a particular anticipated day. In the event of any such delay or interruption, any affected transaction will be processed as soon as administratively feasible and no attempt will be made to reconstruct events as they would have occurred absent the delay or interruption, regardless of the cause, unless the Committee in its sole discretion directs the Plan's recordkeeper to do so.

ARTICLE VI

Limitation on Maximum Contributions and Benefits Under all Plans

6.1 Definitions.

6.1.1 Annual Addition. For purposes of this Article VI, “Annual Addition” means the sum for any Plan Year of (a) employer contributions to a plan (or portion thereof) subject to section 415(c) of the Code maintained by an Employer or an Affiliate, (b) forfeitures under all such plans (or portions thereof), if any, credited to employee accounts, (c) employee contributions under all such plans (or portions thereof), and (d) amounts described in section 419A(d)(2) of the Code (relating to post-retirement medical benefits of key employees) or allocated to a pension plan individual medical account described in section 415(l) of the Code to the extent includible for purposes of section 415(c)(2) of the Code. The employee contributions described in clause (c) shall be determined without regard to (i) any rollover contributions, (ii) any repayments of loans, or (iii) any prior distributions repaid upon the exercise of buy-back rights. Employer and employee contributions taken into account as Annual Additions shall include “excess contributions” as defined in section 401(k)(8)(B) of the Code, “excess aggregate contributions” as defined in section 401(m)(6)(B) of the Code, and “excess deferrals” as described in section 402(g) of the Code (to the extent such excess deferrals are not distributed to the employee before the April 15 following the taxable year of the employee in which such deferrals were made), regardless of whether such amounts are distributed or forfeited.

6.1.2 Earnings. For purposes of this Article VI, “Earnings” for any Plan Year means gross compensation reportable on Form W-2 actually paid or made available by all Employers and Affiliates, determined before giving effect to any Elective Contributions under this Plan (or similar contributions under any other cash or deferred arrangement within the meaning of section 401(k) of the Code) or to any salary reduction arrangement under any cafeteria plan (within the meaning of section 125 of the Code) or, for purposes of receiving qualified transportation fringe benefits (as described in section 132(f)(4) of the Code. Effective for Plan Years beginning on or after January 1, 2008, Earnings shall not exceed the Compensation Limit. Effective January 1, 2008, Earnings shall not include amounts paid after termination of employment, unless paid for services rendered prior to termination and paid either within the calendar year of termination or no later than 2-1/2 months after the date of termination (but excluding post-severance payments in the nature of unused accrued sick, vacation or other bona fide leave payments).

6.2 Limitation on Annual Additions. Subject to Section 6.5, the aggregate Annual Additions to this Plan and all other defined contribution plans (including all plans or portions thereof subject to section 415(c) of the Code) maintained by all Employers and Affiliates for any Limitation Year beginning on or after January 1, 2002 shall not exceed the lesser of (a) $40,000 as adjusted pursuant to section 415(d) of the Code, or (b) 100 percent of the Member's Earnings for such year.

6.3 Application. If the allocations to a Member's Accounts otherwise required under this Plan for any Plan Year would cause the limitations of this Article VI to be exceeded for that Plan Year, contributions otherwise required with respect to such Member under Article III shall be reduced to the extent necessary to comply with those limitations, as provided in Section 3.8. If such reduction is not effected in time to prevent such allocations for any Limitation Year

(as defined in Section 6.4) from exceeding such limitations, any such reduction shall be effected first by a distribution to the Member of Elective Contributions that did not receive Matching Contributions, then by (i) a distribution to the Member of additional Elective Contributions and (ii) a transfer to a suspense account of the Matching Contributions made with respect to such additional Elective Contribution. Any such distribution of Elective Contributions shall be limited to the extent such excess contributions were the result of a reasonable error in determining the amount of Elective Contributions permitted with respect to an individual under the limits of section 415 of the Code after taking into consideration other Annual Additions for the year. Matching Contributions transferred to such a suspense account shall be used to reduce contributions for such Member in the next Limitation Year and each succeeding Limitation Year if necessary; provided, that if the Member is not covered by the Plan at the end of the current Limitation Year, the portion exceeding the limitation of this Article VI shall be allocated and reallocated to the Accounts of all Members in the next Limitation Year before any other Annual Additions are allocated to the accounts of such Members. The suspense account will reduce future contributions for all remaining Members in the next Limitation Year, and each succeeding Limitation Year if necessary. If a suspense account is in existence at any time during the Limitation Year pursuant to this Section 6.3, it will participate in the allocation of the Fund's investment gains and losses. In the event of a termination of the Plan, unallocated amounts held in such suspense account shall be allocated to the extent possible under this Article VI for the Limitation Year of termination. Any amount remaining in such suspense account upon termination of the Plan shall then be returned to the Employer, notwithstanding any other provision of the Plan or Trust Agreement. Reductions in benefits under this Article VI arising by reason of a Member's participation in multiple plans shall be effected as follows: (a) Annual Additions attributable to Elective Contributions shall be reduced first, (b) any remaining Annual Additions under continuing plans shall be reduced before benefits under any terminated plan, and (c) Annual Additions under continuing plans shall be reduced in the reverse order in which Annual Additions would otherwise accrue, except as any such plan may otherwise expressly provide. The amount of Elective Contributions distributed under this Section 6.3 shall include any investment earnings allocable thereto, and the amounts so distributed shall be disregarded for purposes of applying the Elective Deferral Limit under Section 3.1.6 and for purposes of determining average deferral percentages under Section 3.3 or contribution percentages under Section 3.4. Notwithstanding the foregoing, the correction methods under the 1981 regulations set forth above shall not as such apply for limitation years beginning on or after July 1, 2007 (i.e., for Plan Years beginning on or after January 1, 2008), and in lieu thereof, corrections shall if applicable be made under the correction programs of Rev. Proc. 2008-50 or corresponding successor guidance.

6.4 Limitation Year. All determinations under this Article VI shall be made by reference to the Plan Year.

6.5 Correlation with Higher ESOP Limit. For any Plan Year in which some part of the Annual Addition for an employee is attributable to ESOP Contributions, the limitations of Section 6.2 shall be applied taking into account the special rule in section 415(c)(6) of the Code.

ARTICLE VII

Distributions, Withdrawals and Loans

7.1 Distribution on Termination of Employment. When a Member's employment terminates for any reason, the Vested Percentage of the balance of his respective Accounts shall be distributed to him (or, if distribution is being made by reason of death, or after his death following Termination of Employment, to his Beneficiary). Such distribution shall be made in accordance with the provisions of Article VIII. Any portion of a Member's Accounts not so distributable shall be treated as provided in Sections 4.3 and 4.4.

7.2 Withdrawals during Employment. Subject to Section 7.11, a Member may make a withdrawal from his Accounts during employment by an Employer or Affiliate in accordance with the following provisions of this Section 7.2:

7.2.1 Rollover Account. A Member may elect, no more frequently than once in any twelve-month period nor more than twice in any sixty-month period, to withdraw from the Plan an amount in cash equal to one-half (1/2) of his Rollover Account.

Effective November 11, 2009, a Member may elect to withdraw from the Plan an amount in cash equal to one-half of his Rollover Account without restriction as to the number of such withdrawals that may be made within any timeframe.

7.2.2 Matching Account . A Member may elect to withdraw from his Matching Account an amount in cash equal to one-half (½) of the Vested Percentage of the balance of such Account. Prior to November 11, 2009, such withdrawals from a Member's Matching Account may be made no more frequently than once in any twelve-month period nor more than twice in a sixty-month period. Effective November 11, 2009, an individual who became a Member on or after November 11, 2009 may only make a withdrawal under this Section 7.2.2 if he has been a Member for at least 60 months.

7.2.3 Discretionary Contribution Account . A Member who has been a Member for at least 60 months may elect to withdraw from his Discretionary Contribution Account an amount in cash equal to one-half (½) of the Vested Percentage of the balance of such Account.

7.2.4 Elective Account - Hardship Withdrawal. Before attaining age 59-1/2, a Member who is employed by an Employer or Affiliate may withdraw so much of his Elective Account as the Committee shall in a uniform and nondiscriminatory manner determine to be necessary (based on such representations or other information as the Committee may request in his discretion) to meet any condition of hardship affecting such Member, provided that the Member has already received all other amounts available to him as a loan, or a distribution other than on account of "hardship" as herein defined, under this Plan and all other plans maintained by any Employer or Affiliate (such as but not limited to the Arrow Electronics Stock Ownership Plan). For this purpose, the term "hardship" shall mean any one or more of the following needs:

(a) Effective January 1, 2005, expenses for medical care described in section 213(d) of the Code previously incurred by the Member or the Member's

spouse or dependents (including a child of divorced parents who together provide over half the child's support) and for which a deduction would be available under section 213 of the Code after disregarding the limitation of deductions to amounts in excess of 7.5% of adjusted gross income, or expenses necessary in order for such persons to obtain such care, provided that such expenses have not been and will not in the future be covered by insurance;

(b) Effective January 1, 2005, payment of tuition and related educational fees, including room and board (but not books), for the next 12 months of post-secondary education for the Member, the Member's spouse, children or dependents (as defined under applicable regulations);

(c) Costs (other than mortgage payments) directly related to the purchase of the principal residence of a Member; or

(d) Effective August 1, 2006, payments necessary to prevent the eviction of the Member from his or her principal residence or foreclosure on the mortgage on that residence;

(e) Effective August 1, 2006, payments for funeral or burial expenses for the Member's deceased parent, spouse, child or dependent (as defined under applicable regulations);

(f) Effective August 1, 2006, expenses to repair damage to a Member's principal residence that would qualify for a casualty loss deduction under section 165 of the Code (determined without regard to whether the loss exceeds 10 percent of adjusted gross income).

(g) Prior to August 1, 2006, an immediate and heavy financial need resulting in an emergency condition in the financial affairs of a Member.

Any withdrawals under this Section 7.2.4 shall be limited to the total amount of Elective Contributions made, and investment earnings allocable thereto as of December 31, 1988, which have not previously been withdrawn, and shall exclude any amounts attributable to "qualified nonelective contributions" as defined in Section 3.5.4. The amount withdrawn under this Section 7.2.4 shall not exceed the amount necessary to meet the hardship plus the amount necessary to pay any federal, state or local income taxes or penalties that the Member reasonably anticipates will result from the withdrawal.

7.2.5 Elective Account After Age 59-1/2 . After attaining age 59-1/2, a Member may elect, no more frequently than once in any twelve-month period nor more than twice in any sixty-month period, to withdraw from the Plan all or any portion of his Elective Account.

Effective November 11, 2009, after attaining age 59-1/2, a Member may elect to withdraw from the Plan all or any portion of his Elective Account, without restriction as to the number of such withdrawals that may be made within any timeframe.

7.2.6 Age 70-1/2 Withdrawal. A Member may elect to withdraw the entire balance of his Accounts as of April 1 following the calendar year in which he attains age 70-1/2, and thereafter, but no more than once in any calendar year after the year of the first such withdrawal, to withdraw the entire balance of his Accounts attributable to contributions made since the prior such withdrawal.

Effective November 11, 2009, a Member may make a withdrawal under this Subsection 7.2.6 without restriction as to the number of such withdrawals that may be made within any timeframe.

7.2.7 Withdrawal Request. A withdrawal request shall be made by filing the Appropriate Form with the Committee, which prior to August 1, 2006 may, in the discretion of the Committee require that the spouse of the Member, if any, execute a notarized written consent thereto. The Appropriate Form in the case of a withdrawal under Section 7.2.4 shall include an agreement by the Member to the suspension of contributions described in Section 3.1.5.1, and to a similar suspension of "elective deferrals" (as defined in section 402(g)(3) of the Code) and of employee contributions under this Plan and all other qualified and nonqualified plans of deferred compensation (excluding mandatory employee contributions under any defined benefit plan), or stock option, stock purchase, or similar plans, of any Employer or Affiliate for six months from the date of such withdrawal (or until January 1, 2002, if later). Each such other plan shall be deemed amended by reason of this provision and the Member's execution of the Appropriate Form to the extent necessary to give full effect to such agreement.

7.2.8 Home Purchases with Mortgage. A Member shall be entitled to a hardship withdrawal under Section 7.2.4 if (a) he meets all requirements therefor other than the receipt of all amounts available to him as a loan, (b) the need is for funds to purchase a principal residence of the Member, (c) the obtaining of loans other than the mortgage loan in connection with such purchase would disqualify the Member from obtaining the necessary amount of mortgage loan, and (d) the Member demonstrates to the satisfaction of the Committee that the amount to be withdrawn for the purpose of such purchase cannot be obtained from other resources that are reasonably available to the Member (including assets of the Member's spouse that are reasonably available to the Member).

7.3 Loans during Employment. Upon the application of a Member who has been a Member for at least twelve months, who is a "party in interest" with respect to the Plan (within the meaning of section 3(14) of ERISA), and who has not applied for a loan during the preceding six months (such six month limitation applying for all loans other than those made between June 28, 2010 and May 19, 2011), the Committee or its delegate (in either case, the "Loan Administrator") shall instruct the Trustee to make a loan to such Member from his Accounts provided that such loan meets the requirements of Section 7.4. Notwithstanding the preceding sentence, an Eligible Employee may apply for a loan from his Rollover Account without regard to whether he has become a Member in accordance with Section 2.1 or to the period, if any, for which he has been a Member. The loan request, which shall specify the use to be made of the loan proceeds, shall be made on the Appropriate Form and submitted to the Loan Administrator, together with such application fee as may be required under procedures adopted by the Loan Administrator. The Loan Administrator shall notify such Member in writing within a reasonable time of the approval or denial of such loan request, and such notification shall be final. If a Member obtains a loan under this Section 7.3, his status as a Member in the Plan and his rights with respect to his Plan benefits shall not be affected, except to the extent that the Member has

assigned his interest in his Accounts pursuant to the various applicable provisions of Section 7.4, and except as provided in Section 7.11. All loans shall be granted according to rules applicable to all Members on a uniform and nondiscriminatory basis. No more than two loans may be outstanding at any time. The Committee may suspend authorization for future loans to Members, but no such suspension shall affect any loan then outstanding under this Section 7.3.

7.3.1 In applying the limitations on the amount of loans permitted under this Article VII, any prior loan that is in default shall be treated as outstanding, and effective March 17, 2003, the number of loans available to a Member shall be reduced by the number of prior loans currently in default.

7.4 Loan Requirements. A loan pursuant to Section 7.3 shall not be made to a Member unless such loan meets all of the following requirements:

7.4.1 Amount. Such loan must be in an amount of not less than one thousand dollars ($1,000), and shall not exceed the lowest of (a) fifty thousand dollars ($50,000), (b) one-half of the Vested Percentage of the Member's Account balances, or (c) such lesser amount as may be determined by the Loan Administrator in the event that the Member's Accounts are invested (in whole or in part) in an Investment Fund that prohibits the liquidation of investments to fund Member loans. The limitation under clause (a) or (b) above shall be reduced by the outstanding balance (if any) of all other loans to the Member from (i) this Plan and (ii) all other "qualified employer plans" (as described in section 72(p)(4) of the Code) which are maintained by the Company or any related employer referred to in section 72(p)(2)(D) of the Code, and (iii) any contract purchased under this Plan or a plan described in the preceding clause (ii) (including any assignment or pledge with respect to such a contract). The fifty thousand dollars ($50,000) in clause (a) above shall be further reduced by the excess, if any, of the highest outstanding loan balance of all loans described in the preceding sentence during the twelve (12) month period preceding the loan, over the outstanding loan balance of all loans described in the preceding sentence. If there is a loan from another "qualified employer plan"(as described in clause (ii), above) currently outstanding, one-half the value of the Member's vested interest under the plan from which such loan was made shall be added to the amount determined under clause (b), above, but the limitation under clause (b) shall in no event be less than the limit determined by disregarding both loans from other plans and the value of the Member's vested interest therein.

7.4.2 Adequate Security. Such loan must be adequately secured. No more than one-half of the value of the Member's fully vested Accounts, including his Loan Account, may be assigned as collateral security. If the Loan Administrator subsequently determines that the loan is no longer adequately secured, additional security may be required.

7.4.3 Interest. Such loan must bear interest, payable at quarterly intervals (or more frequent intervals, if the Loan Administrator shall so require), at a rate commensurate with the interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances. The Loan Administrator shall at regular intervals (but not less frequently than quarterly) determine such rate on the basis of a review of pertinent information.

7.4.4 Repayment Term. Such loan must provide for substantially level amortization (within the meaning of section 72(p)(2)(C) of the Code) with payments made at least quarterly for a period to end no later than the earlier of:

(a) The expiration of a fixed term not to exceed four and one-half (4-1/2) years, or ten (10) years in the case of a loan used to acquire any dwelling unit which within a reasonable time (determined at the time the loan is made) is to be used as the principal residence of the Member (a "principal residence loan"); or

(b) The date on which distribution of the Member's Accounts is made or otherwise commences following the Member's Termination of Employment.

7.4.5 Suspension During Leave of Absence. Loan repayments may be suspended under the Plan during an authorized leave of absence that is either unpaid or at a rate of pay (after applicable employment tax withholding) that is less than the payments required by the loan, for up to one year, provided that the loan, including interest accrued during the period of absence, must be paid in full within four and one-half (4-1/2) years from the date of the loan (ten years in the case of a principal residence loan). Notwithstanding the foregoing, loan repayments may be suspended for a period which is greater than a year if the Member is performing service in the uniformed services, as described in section 414(u)(4) of the Code. The interest rate applied to a suspended loan during such period of military service may not exceed 6%. After a suspension for military service the loan, including interest accrued during the period of absence must be paid in full within a period that does not exceed four and one-half (4-1/2) years (ten years in the case of a principal residence loan) plus the period of military leave from the date of the loan. Once repayments begin after any suspension under this Section 7.4.5, the loan may be repaid either (i) in installments in the same amount as the original installments with a balloon payment at the end of the required period, or (ii) by increased level installments which repay the entire amount by the end of the required period.

7.4.6 Binding Agreement. Such loan must be evidenced by a legally binding agreement, either written or the legal equivalent thereof (which effective August 1, 2006 may consist of the Member's endorsement of the loan check after notice of the applicable loan terms), containing such terms and provisions as the Loan Administrator shall in its sole discretion determine. Prior to August 1, 2006, but not thereafter (unless required under the terms of the Plan's QDRO procedures), the Loan Administrator may require a certification or representation from the Member that he is not then legally married, or (b) consent by the Member's spouse at the time of the making of the loan in a notarized writing executed within the 90-day period before the making of the loan. The Loan Administrator shall be entitled to rely on any such certification or representation with respect to marital status made by a Member in his request for a loan, and the Plan, the Trustee, the Committee, Employers, and their employees and agents shall be fully protected in respect of any action taken or suffered by them in reliance thereon.

7.5 Loan Expenses. The Loan Administrator may determine to charge any fees, taxes, charges or other expenses (including, without limitation, any asset liquidation charge or similar extraordinary expense) incurred in connection with a loan to the Accounts of the Member obtaining such loan. Such charges shall be imposed on a uniform and nondiscriminatory basis.

7.6 Funding.

7.6.1 Funding of Loans. A Member's loan shall be funded solely by reduction of the Member's Account balances as of the effective date of the loan. Unless the Member specifies a different order, such reduction shall apply to the Member's Accounts in the following order: (1) Rollover Account; (2) Matching Account; (3) Discretionary Contribution

Account and (4) Elective Account. The loan obligation created pursuant to Section 7.4.6 shall be held by the Trustee in a Loan Fund and allocated solely to the Accounts of the Member who receives the loan. For all purposes hereunder, the value of such loan obligation at any date shall be considered to be the unpaid principal amount of the note plus accrued interest. Interest attributable to such notes shall be held in the Loan Fund until reallocation pursuant to Section 7.7.

7.6.2 Loan Account. A Loan Account shall be maintained for each Member who has been granted a loan pursuant to Section 7.3, in which shall be entered the amount of such Member's loan. Such Loan Account shall remain in effect until such Member's loan has been repaid and the amount in the Loan Fund attributable to his Loan Account transferred to another Investment Fund.

7.7 Repayment. The total amount of principal and interest payments on a Member's loan shall be allocated to the Member's Accounts in proportion to the share of the loan funded from each Account. Unless the Member specifies a different order, such payments shall be applied to restore the Accounts in the following order: (1) Elective Account; (2) Discretionary Contribution Account; (3) Matching Account; and (4) Rollover Account. Payments of principal and interest on a Member's loan shall be initially deposited in the Loan Fund for allocation to such Member's Loan Account and shall be reallocated as of the first Valuation Date coincident with or next following such deposit to such other Investment Funds as the Member shall have designated for future contributions pursuant to Section 5.2.

7.8 Valuation. The value of that portion of a Member's Accounts to be withdrawn pursuant to Section 7.2 or that portion of a Member's Accounts to be borrowed pursuant to Section 7.3 shall be determined as of the Valuation Date immediately following the date on which the withdrawal or loan request is received by the Committee or the Loan Administrator, as the case may be (or, if the Committee or Loan Administrator shall so direct, any later Valuation Date prior to the distribution of funds).

7.9 Allocation among Investment Funds. A Member may direct on the Appropriate Form, at such time coincident with or following his loan or withdrawal request as the Committee or Loan Administrator, as the case may be, may allow, and subject to the Committee's or Loan Administrator's consent, the proportions in which any withdrawal pursuant to Section 7.2 or loan pursuant to Section 7.3 shall be allocated among the Investment Funds; provided, however, that failing such direction or consent, and in all cases on or after August 1, 2006, the allocation shall be made pro rata among the Investment Funds in which each Account that is reduced to fund the loan is invested.

7.10 Disposition of Loan Upon Certain Events. Subject to the provision of Section 7.4.4 authorizing prepayment of a loan, in the event of the retirement, Termination of Employment, Disability, or death of a Member before the Member repays all outstanding loans, the unpaid balance of the loan shall be due and payable. If the loan is not repaid within 60 days following such event, the Trustee shall reduce the value of the Member's Loan Account by the amount of the Member's outstanding loan (including accrued interest), and before making a cash distribution to the Member or his Beneficiary. Notwithstanding the foregoing, effective October 19, 2005, if a Member ceases to be an employee of the Company or any other Employer as a result of a sale of assets or stock or similar corporate transaction, and the asset or stock purchase agreement or similar agreement so provides, any loan note held in the Account of a Member affected thereby may be transferred or rolled over from the Plan to another qualified plan

maintained by the purchaser of such stock or assets (or any affiliate thereof) in accordance with such procedures as the Committee may establish therefor.

7.11 Withdrawals from Plan While Loan is Outstanding. The amount otherwise available for withdrawal from the Plan under Section 7.2 shall be reduced by the amount of any loan outstanding at the time a withdrawal request is made.

7.12 Compliance with Applicable Law. The Loan Administrator shall take such actions as he may deem appropriate in order to assure full compliance with all applicable laws and regulations relating to Member loans and the granting and repayment thereof.

7.13 Default. A loan made pursuant to Section 7.3 shall be in default if a scheduled payment of principal or interest is not received by the Loan Administrator within thirty (30) days following the scheduled payment date. The Loan Administrator may establish a cure period during which repayment of the missing scheduled payment, plus interest, may be made, which cure period shall not continue beyond the last day of the calendar quarter following the calendar quarter in which the payment was due. Upon default, the outstanding principal amount and accrued interest of the loan shall become immediately due and payable, and the Loan Administrator may execute upon the Plan's security interest in the Member's Accounts to satisfy the debt; provided, however, that the execution shall not occur until such time as the Member's Account(s) against which execution is proposed could be distributed to the Member consistent with the requirements for qualification of the Plan under section 401(a) of the Code. Furthermore, the Loan Administrator may take any other action he deems appropriate to obtain payment of the outstanding amount of principal and accrued interest, which may include accepting payments of principal and interest that were not made on schedule and permitting the loan to remain outstanding under its original payment schedule. Any costs incurred by the Loan Administrator in collecting, or attempting to collect, amounts in default shall be charged against the Member's Accounts. If the Loan Administrator is unable to obtain payment of the outstanding principal and accrued interest (or, in his discretion, payment of only the overdue amount of such principal), the Loan Administrator shall take such further action as he deems appropriate to prevent loss to the Plan as a result of the default. Any discretion by the Loan Administrator in this regard shall be exercised in a uniform and nondiscriminatory manner.

7.14 Conversion of Loan to Hardship Distribution. If a Member fails to make timely repayment of a loan, the Loan Administrator, upon application of the Member, shall recharacterize the loan as a hardship distribution, but only if the loan proceeds were used to meet a need set forth in Section 7.2.4 and provided that the suspension requirements referred to in Section 7.2.7 are satisfied.

ARTICLE VIII

Payment of Benefits

8.1 Payment of Benefits.

8.1.1 In General. The amounts distributable to a Member pursuant to Section 7.1 on Termination of Employment shall be paid in cash in a single sum, except as otherwise provided below. If the amount so distributable exceeds $5,000, the Member may, in lieu of a single sum payment, elect to receive distribution either (a) in two or more payments, at such times and in such amounts as he may elect, provided that each such payment other than the last shall be not less than $1,000, or (b) in substantially equal installments over 5, 10, 15 or 20 years, to be made monthly, quarterly, or annually as the Member may elect. A Member may prospectively revoke any election described in clause (a) or (b) above and substitute therefor a different election of any of such forms, or an election of a single sum payment, which shall apply to the then remaining balance in his Vested Accounts. Any undistributed balance of a Member's Accounts shall continue to be adjusted in accordance with Article V until distribution thereof is completed. Distribution shall not be made without the Member's consent, in writing or its equivalent, prior to the time that distribution is required under Section 8.6 unless the total vested balance of the Member's Accounts (including his Rollover Account) does not exceed $5,000. In the event that a Member is ineligible to, and/or does not elect to receive, distribution in two or more payments or in installments as above provided, and the Committee determines that the vested balance of the Member's Accounts does not exceed $5,000, distribution of such vested balance shall be made in a lump sum after (x) the Member has been notified that such a small benefit cashout is to be made and of his right to receive such distribution as a direct rollover, (y) the Member's election to receive cash or a direct rollover is received or the time for making such election has expired, and (z) the amount so distributable does not rise to more than $5,000 as of the date used to review Account values for purposes of distribution under the procedures adopted by the Plan recordkeeper. Except as the Member otherwise elects, expressly or by failure to request distribution after receipt of notice advising of the right to so elect, distribution shall in all events commence no later than 60 days after the close of the Plan Year in which occurs the later of his most recent Termination of Employment or his Normal Retirement Date, except to the extent a contribution pursuant to Article III of the Plan which the Member is entitled to share in has not yet been acquired by the Fund.

8.1.2 Default Rollover of Small Benefits Cashouts. Notwithstanding the foregoing, for distributions to a Member on or after March 28, 2005 and prior to the Member's Normal Retirement Date, in the event that the amount of the distribution exceeds $1,000 but does not exceed $5,000, and the Member does not make an election whether or not to directly rollover his distribution within the time and in the manner prescribed by the Committee, such distribution shall be made to an individual retirement account selected by the Committee and meeting the requirements for the “safe harbor” regulations issued by the Department of Labor, 29 C.F.R. section 2520.404a-2 (or any corresponding successor regulations).

8.1.3 Notice Period. If a distribution is one to which sections 401(a)(11) and 417 of the Code do not apply, such distribution may commence less than 30 days after the notice required under Treas. Reg. section 1.411(a)-11(c) provided that: (a) the Committee clearly informs the Member that the Member has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a

particular distribution option), and (b) the Member, after receiving the notice, affirmatively elects a distribution.

8.2 Death Benefits.

8.2.1 In General. In the event of the death of a Member prior to his Termination of Employment, the balances in his Accounts shall be distributed to his Beneficiary. If the Beneficiary is the Member's spouse, the spouse shall be entitled to receive distribution beginning within 90 days of the Member's death if reasonably practicable and otherwise as soon as practicable, or, if the Member had attained his Normal Retirement Date prior to his death, beginning not later than 60 days following the close of the Plan Year in which his death occurs.

8.2.2 Installment Payments on Death. If so elected by the Member prior to his death, or thereafter by his Beneficiary, payments following a Member's death may be paid in substantially equal installments over 5, 10, 15, or 20 years from the Member's death, to be made monthly, quarterly or annually as specified in such election. Any amount so distributable shall be held in the Member's Accounts, invested pursuant to the provisions of Section 5.4, and adjusted as provided in Section 5.5 until distribution is completed. Notwithstanding the foregoing, if the total vested account of Member allocable to a Beneficiary does not exceed $5,000, the distribution shall be subject to the small benefit cashout rules set forth in Sections 8.1.1 and 8.1.2 as if the Beneficiary were a Member.

8.3 Non-Alienation of Benefits. Except as otherwise required by a “qualified domestic relations order” (as defined in section 414(p) of the Code), or by other applicable law recognized as a permitted exception to this provision by section 401(a)(13) of the Code and regulations thereunder, no benefit, interest, or payment under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, whether voluntary or involuntary, and no attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be valid nor shall any such benefit, interest, or payment be in any way liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefit, interest, or payment or be subject to attachment, garnishment, levy, execution or other legal or equitable process.

8.4 Doubt as to Right to Payment. In the event that at any time any doubt exists as to the right of any person to any payment hereunder or the amount or time of such payment (including, without limitation, any case of doubt as to identity, or any case in which any notice has been received from any other person claiming any interest in amounts payable hereunder, or any case in which a claim from other persons may exist by reason of community property or similar laws), the Committee shall be entitled, in its discretion, to direct the Trustee to hold such sum as a segregated amount in trust until such right or amount or time is determined or until order of a court of competent jurisdiction, or to pay such sum into court in accordance with appropriate rules of law in such case then provided, or to make payment only upon receipt of a bond or similar indemnification (in such amount and in such form as is satisfactory to the Committee).

8.5 Incapacity. If any benefits hereunder are due to a legally incompetent person, the Committee may, in its sole discretion, direct that any distribution due such person be made (a) directly to such person, or (b) to his duly appointed legal representative, and any distribution so made shall completely discharge the liabilities of the Plan therefor.

8.6 Time of Commencement of Benefits.

8.6.1 Subject to Sections 8.6.2 through 8.6.5, payment to a Member under this Article VIII shall be made or commenced not later than the 60th day after the close of the Plan Year in which occurs the later of his most recent Termination of Employment or his Normal Retirement Date.

8.6.2 Distribution of the benefits of a Member shall be required hereunder (a) for a Member who is a five percent (5%) owner with respect to the Plan Year in which he attained age 70-1/2, by April 1 following such year, and (b) in any other case, by April 1 following the calendar year in which the Member attains age 70-1/2 or terminates employment, whichever is later. Distributions shall be made pursuant to this Section 8.6.2 as though the Member had retired.

8.6.3 If a Member receives a single sum distribution pursuant to Section 8.6.2, any contributions made to the Plan subsequently (and any forfeitures in lieu thereof) allocable to the Member's Accounts shall be paid to the Member as soon as practicable after the end of the Plan Year for which such contributions are made.

8.6.4 Notwithstanding any provisions of this Plan to the contrary, in the event that the amount of a payment required to commence on the date otherwise determined under this Plan cannot be ascertained by such date, or if it is not possible to make such payment on such date because the Committee has been unable to locate the Member (or, in the case of a deceased Member, his Beneficiary) after making reasonable efforts to do so, a payment retroactive to such date may be made no later than 60 days after the earliest date on which the amount of such payment can be ascertained under this Plan or the date on which the Member (or Beneficiary) is located, whichever is applicable.

8.6.5 Notwithstanding any provision of the Plan to the contrary, with respect to distributions under the Plan made for calendar years, 2001 and 2002, the Plan will apply the minimum distribution requirements of section 401(a)(9) of the Code, including the incidental death benefit requirement, in accordance with the regulations under section 401(a)(9) that were proposed on January 17, 2001, and for the calendar year 2003 in accordance with the regulations under section 401(a)(9) published on April 17, 2002, and thereafter in accordance with the final regulations under section 401(a)(9) published on June 15, 2004.

8.6.6 Effective with respect to the 2009 calendar year, no minimum required distribution shall be required or made in respect of such calendar year absent an affirmative election on the Applicable Form by the Member to the contrary in accordance with such procedures as the Committee shall establish.

8.7 Payments to Minors

. If at any time a person entitled to receive any payment hereunder is a minor, such payment may, in the sole discretion of the Committee, be made for the benefit of such minor to his parent, guardian or the person with whom he resides, or to the minor himself, and the release of any such parent, guardian, person or minor shall be a valid and complete discharge for such payment.

8.8 Identity of Proper Payee. The determination of the Committee as to the identity of the proper payee of any payment and the amount properly payable shall be conclusive,

and payment in accordance with such determination shall constitute a complete discharge of all obligations on account thereof.

8.9 Inability to Locate Distributee/Uncashed Checks. Notwithstanding any other provision of the Plan, in the event that (i) the Committee cannot locate any person to whom a payment is due under this Plan, or (ii) a benefit check mailed to a Distributee remains outstanding for a period of at least six months and the Distributee has not responded to follow-up communications in a timely manner, the benefit in respect of which such payment is to be made shall be forfeited at such time as the Committee shall determine in its sole discretion (but in all events prior to the time such benefit would otherwise escheat under any applicable law); provided, that such benefit shall be reinstated if such person subsequently makes a valid claim for such benefit prior to termination of the Plan.

8.10 Estoppel of Members and Their Beneficiaries. The Employer, Committee and Trustee may rely upon any certificate, statement or other representation made to them by any employee, Member, spouse or other beneficiary with respect to age, length of service, leave of absence, date of Termination of Employment, marital status or other fact required to be determined under any of the provisions of this Plan, and shall not be liable on account of the payment of any moneys or the doing of any act in reliance upon any such certificate, statement or other representation. Any such certificate, statement or other representation made by an employee or Member shall be conclusively binding upon such employee or Member and his spouse or other beneficiary, and such employee, Member, spouse or beneficiary shall thereafter and forever be estopped from disputing the truth and correctness of such certificate, statement or other representation. Any such certificate, statement or other representation made by a Member's spouse or other beneficiary shall be conclusively binding upon such spouse or beneficiary, and such spouse or beneficiary shall thereafter and forever be estopped from disputing the truth and correctness of such certificate, statement or other representation.

8.11 Qualified Domestic Relations Orders.

8.11.1 Definition. For purposes of this Section 8.11, “Qualified Domestic Relations Order” means any judgment, decree or order (including approval of a property settlement) made pursuant to a state domestic relations law (including a community property law) which relates to the provision of child support, alimony payments or marital property to a spouse, former spouse, child or other dependent of a Member and which creates or recognizes the existence of a right of (or assigns such a right to) such spouse, former spouse, child or other dependent (the “Alternate Payee”) to receive all or a portion of the benefits payable with respect to a Member under the Plan. A Qualified Domestic Relations Order must clearly specify the amount or percentage of the Member's benefits to be paid to the Alternate Payee by the Plan (or the manner in which such amount or percentage is to be determined). A Qualified Domestic Relations Order (a) may not require the Plan (i) to provide any form or type of benefits or any option not otherwise provided under the Plan, (ii) to pay benefits to an Alternate Payee under such order which are required to be paid to another Alternate Payee under another such order previously filed with the Plan, or (iii) to provide increased benefits (determined on the basis of actuarial equivalents), but (b) may require payment of benefits to the Alternate Payee under the order (i) at any time after the date of the order, (ii) as if the Member had retired on the date on which such payment is to begin under such order (taking into account only the benefits in which the Member is then vested) and (iii) in any form in which such benefits may be paid to the Member.

8.11.2 Distributions. The Committee shall recognize and honor any judgment, decree or order entered on or after January 1, 1985 under a state domestic relations law which the Committee determines to be a Qualified Domestic Relations Order in accordance with such reasonable procedures to determine such status as the Committee shall establish. Without limitation of the foregoing, the Committee shall notify a Member and the person entitled to benefits under a judgment, decree or order which purports to be a Qualified Domestic Relations Order of (a) the receipt thereof, (b) the Plan's procedures for determining whether such judgment, decree or order is a Qualified Domestic Relations Order and (c) any determination made with respect to such status. During any period during which the Committee is determining whether any judgment, decree or order is a Qualified Domestic Relations Order, any amount which would have been payable to any person pursuant to such order shall be separately accounted for (and adjusted to reflect its appropriate share of the Investment Adjustment as of each Valuation Date pursuant to Article V) pending payment to the proper recipient thereof. Any such amount, as so adjusted, shall be paid to the person entitled to such payment under any such judgment, decree or order if the Committee determines such judgment, decree or order to be a Qualified Domestic Relations Order within 18 full calendar months commencing with the date on which the first payment would be required to be made under such judgment, decree or order. If the Committee is unable to make such a determination within such time period, payment under the Plan shall be as if such judgment, decree or order did not exist and any such determination made after such time period shall be applied prospectively only. Distribution to an Alternate Payee under a Qualified Domestic Relations Order shall be made on a pro rata basis from the Member's Accounts in such manner as the Committee shall direct.

8.11.3 Alternate Payee's Beneficiary. In the event that an Alternate Payee is entitled under a Qualified Domestic Relations Order to designate a Beneficiary for the Alternate Payee's interest in the Plan and fails to do so or such designation fails to be effective (such as by reason of the prior death of the designated individual and the absence of any effective alternative designation), the Alternate Payee's Beneficiary with respect to such interest shall be the Alternate Payee's estate.

8.12 Benefits Payable Only from Fund. All benefits payable under this Plan shall be paid or provided solely from the Fund, and neither any Employer nor its shareholders, directors, employees or the Committee shall have any liability or responsibility therefor. Except as otherwise provided by law, no Employer assumes any obligations under this Plan except those specifically stated in the Plan.

8.13 Prior Plan Distribution Forms. The portions of the Accounts of Members attributable to balances transferred from prior plans will be eligible for installment or annuity forms of distributions that were available under such plans if distribution in respect thereof is to commence as of a date on or before February 1, 2002, and the Member's vested Accounts at termination of employment exceed $5,000. Otherwise, all amounts distributable to a Member whose employment terminates for any reason shall be paid in accordance with the foregoing provisions of this Article VIII.

8.14 Restrictions on Distribution. A Member's Elective Account shall not be distributable prior to his severance from employment, disability, death, or attainment of age 59-1/2 except in cases of (a) hardship to the extent provided in Section 7.2.4 or (b) a lump sum distribution made upon termination of the Plan without establishment or maintenance of another

defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7) of the Code) within the meaning of applicable regulations.

8.15 Direct Rollover of Eligible Rollover Distributions. Notwithstanding any provisions of this Plan that would otherwise limit a Distributee's election under this Section 8.15, a Distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an Eligible Rollover Distribution paid in a Direct Rollover directly to an Eligible Retirement Plan specified by the Distributee.

8.15.1 Definitions. For purposes of this Section 8.15, the following terms shall have the meanings specified below:

8.15.1.1 Eligible Rollover Distribution. Any distribution of all or any portion of the balance to the credit of a Distributee under the Plan, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequent than annual) made for the life (or life expectancy) of the Distributee or the joint lives (or life expectancies) of the Distributee and the Distributee's Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; the portion of any distribution that is not includible in gross income, unless the conditions of Section 8.15.4 are satisfied; any deemed distribution occurring upon the Member's Termination of Employment under which the Member's account balance is offset by the amount of an outstanding Plan loan; and any hardship withdrawal.

8.15.1.2 Eligible Retirement Plan. An individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, another employer's qualified trust described in section 401(a) of the Code, an annuity contract described in section 403(b) of the Code, or an eligible deferred compensation plan described in section 457(b) of the Code maintained by a State, a political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State and which agrees to separately account for amounts transferred into such plan from this Plan, that accepts a Distributee's Eligible Rollover Distribution. Effective for distributions on or after January 1, 2008 an Eligible Retirement Plan shall also include a Roth IRA described in section 408A of the Code and a Distributee may make a Direct Rollover thereto, provided that prior to January 1, 2010, the Distributee meets any applicable income limitations.

8.15.1.3 Distributee. A Member, a Member's surviving Spouse or a Member's Spouse or former Spouse who is the Alternate Payee under a Qualified Domestic Relations Order (as defined in section 414(p) of the Code and Section 8.11.1) or a trust treated as such an individual.

8.15.1.4 Direct Rollover. A payment by the Plan to an Eligible Retirement Plan specified by a Distributee, in the manner prescribed by the Committee.

8.15.1.5 Non-spouse Beneficiary. Effective September 1, 2007, the term “Distributee” shall include a non-spouse Beneficiary who is an individual or a trust treated as such under applicable regulations, but a direct rollover by such a Beneficiary may be made only to an individual retirement plan described in section 408(a) or (b) of the Code, and which is established in a manner (including title) that identifies it as an IRA with respect to both the deceased Participant and the individual Beneficiary.

8.15.2 Limitation. No more than one Direct Rollover may be elected by a Distributee for each Eligible Rollover Distribution.

8.15.3 Default Procedure. If a Member (or other Distributee, if applicable) does not make a timely election whether or not to directly roll over his Eligible Rollover Distribution within a reasonable period permitted by the Committee for making such election, such distribution shall be made directly to the Member (or other Distributee, if applicable). Notwithstanding the foregoing, effective March 28, 2005, such Eligible Rollover Distributions made to a Member prior to Normal Retirement Date that exceed $1,000 but do not exceed $5,000 will be automatically rolled over to an individual retirement account, as described in Section 8.1.2.

8.15.4 After-Tax Employee Contributions. An Eligible Rollover Distribution may include after-tax employee contributions if the Eligible Retirement Plan is either:

(a) an individual retirement account described in section 408(a) of the Code or an individual retirement annuity described in section 408(b) of the Code; or

(b) an annuity plan described in section 403(a) of the Code or, effective January 1, 2007, 403(b) of the Code, or another employer's qualified trust described in section 401(a) of the Code, which agrees to separately account for such after-tax employee contributions (and the earnings thereon).

8.16 Receipt of ESOP Beneficiary's Account. Effective March 17, 2003, the Plan shall accept a direct trust-to-trust transfer from the Arrow Electronics Stock Ownership Plan (“ESOP”) of the cash proceeds allocable to all or a portion of an account in the ESOP of a deceased member of the ESOP upon election by a beneficiary of such ESOP to make such a transfer in accordance with applicable provisions of the ESOP. Upon such transfer, the ESOP beneficiary directing such transfer shall be treated as a Beneficiary under this Plan, the amount transferred shall be credited to an Account under this Plan in the name of the deceased Member that is allocable to such Beneficiary, and such Beneficiary shall have same right to direct the initial investment of the amount transferred as applies in the case of amounts received as a direct rollover to a Rollover Account. Thereafter, the Beneficiary shall have the same rights with respect to such Account that generally apply to Beneficiaries under the Plan, including the right to receive distribution at the times and in the forms available under Section 8.2 and the right to change the investment with respect to such Account as described in Section 5.3.

ARTICLE IX

Beneficiary Designation

9.1 Designation of Beneficiary. Subject to the further provisions of this Article IX, each Member may designate, at such time and in such manner as the Committee shall prescribe, a Beneficiary or Beneficiaries (who may be any one or more members of his family or any other persons, executor, administrator, any trust, foundation or other entity) to receive any benefits distributable hereunder to his Beneficiary after the death of the Member as provided herein. Such designation of a Beneficiary or Beneficiaries shall not be effective for any purpose unless and until it has been filed by the Member with the Committee, provided, however, that a designation mailed by the Member to the Committee prior to death and received after his death shall take effect upon such receipt, but prospectively only and without prejudice to any payor or payee on account of any payments made before receipt by the Committee.

9.2 Spouse as Presumptive Beneficiary. Notwithstanding Section 9.1 (but subject to the provisions of Section 9.5), a Member's sole Beneficiary shall be his surviving spouse, if the Member has a surviving spouse, unless the Member has designated another Beneficiary with the written consent of such spouse (in which consent such Beneficiary is specified by name or class, and the effect of such designation is acknowledged) witnessed by a notary public or Plan representative. Any such consent shall be irrevocable. The Committee may, in its sole discretion, waive the requirement of spousal consent if the Committee is satisfied that the spouse cannot be located, or if the Member can show by court order that he has been abandoned by the spouse within the meaning of local law, or if otherwise permitted under applicable regulations.

9.3 Change of Beneficiary. A Member may, from time to time in such manner as the Committee shall prescribe, change his designated Beneficiary or Beneficiaries, but any such designation which has the effect of naming a person other than the surviving spouse as sole Beneficiary is subject to the spousal consent requirement of Section 9.2.

9.4 Failure to Designate. If a Member has failed effectively to designate a Beneficiary to receive the Member's death benefits, or a Beneficiary previously designated has predeceased the Member and no alternative designation has become effective, such benefits shall be distributed to the Member's surviving spouse, if any, or if no spouse survives the Member, to the Member's estate.

9.5 Effect of Marriage, Divorce or Annulment, or Legal Separation. This Section 9.5 shall be effective in determining the identity of a Participant's Beneficiary at any time on or after September 1, 2006. In accordance with Section 1.54 but subject to the following provisions of this Section 9.5, the term “spouse” for purposes of this Article IX means the individual to whom the Member is married on the date of reference, determined under applicable state law, except than no individual of the same gender as the Member shall be deemed such a spouse. Notwithstanding the foregoing:

9.5.1 If a court of competent jurisdiction has issued a legal separation order, the parties to whom that order pertains shall not be deemed to be married to each other, even if their marriage has not been annulled or terminated by divorce; provided, however, that to the extent that a Qualified Domestic Relations Order as defined in Section 8.11 (“QDRO”) specifies

that a former spouse (or legally separated spouse) of the Member is to be treated as the Member's spouse, such specified former spouse (or legally separated individual) shall be treated as the Member's spouse under the Plan to the extent required in such QDRO, to the exclusion of any subsequent spouse.

9.5.2 Except to the extent otherwise provided in an applicable QDRO, a designation of the Member's spouse as Beneficiary will automatically be cancelled if the marriage terminates by divorce or is annulled or such a legal separation order is issued unless the designation clearly states that the individual named as Beneficiary is to continue as such following termination of the marriage or such separation.

9.5.3 Nothing herein shall prohibit a spouse from disclaiming the benefit to which he or she would otherwise be entitled as the Member's sole Beneficiary, in whole or in part, in which event the Beneficiary with respect to the interest so disclaimed shall be determined as if the spouse had predeceased the Member.

9.5.4 Upon the marriage of a Member, any designation of Beneficiaries made by the Member prior to the date of the marriage shall become null and void as of the date of the marriage. Subsequent divorce, legal separation or dissolution of the marriage shall not reinstate any designation that became null and void as of the date of such marriage. Notwithstanding the foregoing, none of the Employer, the Trustee or Committee, nor any other fiduciary, shall be liable for, and each of them shall be fully protected, as to amounts paid to one or more Beneficiary(ies) of the Member subsequent to the marriage of the Member and after the death of the Member, but prior to their receipt of effective written notification of the marriage.

9.6 Proof of Death, etc. Before making distribution to a Beneficiary, the Committee may require such proof of death and such evidence of the right of any person to receive all or part of the death benefit of a deceased Member as the Committee may deem desirable. The Committee's determination of the fact of death of a Member and of the right of any person to receive distributions as a result thereof shall be conclusive upon such person or persons having or claiming any right in the Fund on account of such Member.

9.7 Discharge of Liability. If distribution in respect of a Member's Accounts is made to a person reasonably believed by the Committee or his delegate (taking into account any document purporting to be a valid consent of the Member's spouse, or any representation by the Member that he is not married) to properly qualify as the Member's Beneficiary under the foregoing provisions of this Article IX, the Plan shall have no further liability with respect to such Accounts (or the portion thereof so distributed).

ARTICLE X

Administration of the Plan

10.1 Committee. The Corporate Governance Committee of the Board of Directors shall appoint a Management Pension Investment and Oversight Committee (the "Committee"), which shall consist of not less than three persons to serve at the pleasure of the Corporate Governance Committee of the Board of Directors. Any vacancy on the Committee, arising for any reason whatsoever, shall be filled by the Corporate Governance Committee of the Board of Directors. The Committee shall hold meetings upon such notice, at such place or places, at such time or times and in such manner (including meetings in which members may participate through teleconferencing or similar means) as it may from time to time determine. A majority of the members of the Committee at the time in office shall constitute a quorum for the transaction of business, and action by a majority of those present at any meeting at which a quorum is present shall constitute action by the Committee. The Committee may also act without a meeting by instrument in writing signed by a majority of the members of the Committee, or by one or more members to whom the Committee has previously delegated the authority to take such action. Effective September 21, 2004, the Compensation Committee of the Board of Directors shall succeed to the duties of the Corporate Governance Committee under this Section 10.1.

10.2 Named Fiduciary. The named fiduciary under the Plan shall be the Committee, which shall have authority to control and manage the operation and administration of the Plan except that the Committee shall have no authority or responsibility with respect to those matters which under any applicable trust agreement, insurance policy or similar contract are the responsibility, or subject to the authority, of the Trustee, any insurance company or similar organization. The members of the Committee shall have the right, by written instrument executed by them or otherwise, to allocate fiduciary responsibilities among themselves, and any one or more of such members may designate other persons to carry out fiduciary or other responsibilities under the Plan.

10.3 Powers and Discretion of the Named Fiduciary. The Committee shall have all powers and discretion necessary or helpful for carrying out its responsibilities, including, without limitation, the power and complete discretion:

(a) to establish such rules or procedures as it may deem necessary or desirable;

(b) to employ such persons as it shall deem necessary or desirable to assist in the administration of the Plan;

(c) to determine any question arising in the administration, interpretation and application of the Plan, including without limitation questions of fact and of construction;

(d) to correct defects, rectify errors, supply omissions, clarify ambiguities, and reconcile inconsistencies to the extent it deems necessary or desirable to effectuate the Plan or preserve qualification of the Plan under section 401(a) of the Code;

(e) to decide all questions relating to eligibility and payment of benefits hereunder, including, without limitation, the power and discretion to determine the eligibility of persons to receive benefits hereunder;

(f) to establish procedures for determining whether a domestic relations order is a qualified domestic relations order ("QDRO") as described in Section 8.11 and for complying with any such QDRO;

(g) to direct the Trustee with respect to benefits payable under the Plan (including, without limitation, the persons to be paid or methods of payment) and all distributions of the assets of the Fund;

(h) to make a determination as to the rights of any person to a benefit and to afford any person dissatisfied with such determination the right to an appeal;

(i) to determine the character and amount of expenses that are properly payable by the Plan as reasonable administration expenses, and to direct the Trustee with respect to the payment thereof (including, without limitation, the persons to be paid and the method of payment);

(j) to compromise or settle claims against the Plan and to direct the Trustee to pay amounts required in any such settlements or compromise;

(k) to determine the method of making corrections necessary or advisable as a result of operating defects in order to preserve qualification of the Plan under section 401(a) of the Code pursuant to procedures of the Internal Revenue Service applicable in such cases (such as those set forth in Revenue Procedure 2008-50 and similar guidance); and

(l) to make appropriate provision for the investment and reinvestment of the Fund, including, as named fiduciary with respect to the control and management of the assets of the Plan, to appoint in its discretion an investment manager or managers (as defined in section 3(38) of ERISA) to manage (including the power to acquire and dispose of) any assets of the Plan.

The determinations of the Committee shall be conclusive and binding on all persons to the maximum extent permitted by law. The expenses of the Committee and all other expenses of the Plan shall be paid by the Fund to the extent not paid by the Company, and such expenses shall include any expenses authorized by the Board of Directors as necessary or desirable in the administration of the Plan.

10.4 Advisers. Any named fiduciary under the Plan, and any fiduciary designated by a named fiduciary to whom such power is granted by a named fiduciary under the Plan, may employ one or more persons to carry out such responsibilities as may be specified by such fiduciary and to render advice with regard to any responsibility such fiduciary has under the Plan.

10.5 Service in Multiple Capacities. Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan.

10.6 Limitation of Liability; Indemnity.

10.6.1 Except as otherwise provided by law, if any duty or responsibility of any person serving as a named fiduciary has been allocated or delegated to any other person in accordance with any provision of this Plan, then such fiduciary shall not be liable for any act or omission of such other person in carrying out such duty or responsibility.

10.6.2 Except as otherwise provided by law, no person who is a member of the Committee or is an employee, director or officer of any Employer who is a fiduciary under the Plan or the trust thereunder, or otherwise has responsibility with respect to administration of the Plan or trust, shall incur any liability whatsoever on account of any matter connected with or related to the Plan or trust or the administration thereof, unless such person shall have acted in bad faith or been guilty of willful misconduct or gross negligence in respect of his duties, actions or omissions in respect of the Plan or trust.

10.6.3 The Company shall indemnify and save harmless each Committee member and each employee, director or officer of any Employer serving as a trustee or other fiduciary from and against any and all loss, liability, claim, damage, cost and expense which may arise by reason of, or be based upon, any matter connected with or related to the Plan or trust or the administration thereof (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or in settlement of any such claim whatsoever), unless such person shall have acted in bad faith or been guilty of willful misconduct or gross negligence in respect of his duties, actions or omissions in respect of the Plan or trust.

10.7 Reliance on Information. The Committee and any Employer and its officers, directors and employees shall be entitled to rely upon all tables, valuations, certificates, opinions and reports furnished by any accountant, trustee, insurance company, counsel or other expert who shall be engaged by an Employer or the Committee, and the Committee and any Employer and its officers, directors and employees shall be fully protected in respect of any action taken or suffered by them in good faith in reliance thereon, and all action so taken or suffered shall be conclusive upon all persons affected thereby.

10.8 Subcommittees, Counsel and Agents. The Committee may appoint from its members such subcommittees (of one or more such members), with such powers as the Committee shall determine. The Committee may employ such counsel (including legal counsel, who may be counsel for the Company or an Employer), accountants, and agents and such clerical and other services as it may require in carrying out the provisions of the Plan, and may charge the fees, charges and costs resulting from such employment as an expense to the Fund to the extent not paid by the Company. Unless otherwise required by law, persons employed by the Committee as counsel, or as its agents or otherwise, may include members of the Committee, or employees of the Company. Persons serving on the Committee, or on any such subcommittee shall be fully protected in acting or refraining to act in accordance with the advice of legal or other counsel.

10.9 Funding Policy. The Committee shall establish and carry out, or cause to be established and carried out by those persons (including, without limitation, any trustee) to whom responsibility or authority therefor has been allocated or delegated in accordance with the Plan or the Trust Agreement, a funding policy and method consistent with the objectives of the Plan and the requirements of ERISA. Without limiting the generality of the foregoing, it is recognized that Members (and their Beneficiaries) have many differing individual financial situations, and the funding policy of the Plan is therefore to allow Members and their Beneficiaries to choose, from a broad range of diversified investment options, the Investment Fund or Investment Funds which they believe best suit their individual objectives. In the event of the elimination of a preexisting Investment Fund option or a merger or spin-off of assets from another plan into this Plan, the foregoing principle shall not preclude the adoption of mapping rules under which assets previously invested for the benefit of the Member or Beneficiary in one or more investment options that are no longer available are transferred to specific Investment Funds under this Plan, subject to the right of Members (or Beneficiaries) to then reallocate their accounts among Investment Funds. The Plan is intended to satisfy the requirements of section 404(c) of ERISA with respect to investment elections by Members or their Beneficiaries if reasonably practicable, but (as provided in accordance with applicable law) any failure to meet any of such requirements shall create no adverse inference with respect to the compliance by the Plan and its fiduciaries with such general requirements as prudence and diversification. To the extent permitted by law, none of the Company, any Employer, the Committee, the Trustee nor any other fiduciary of the Plan shall be liable for any loss resulting from a Member's (or Beneficiary's) exercise of his right to direct the investment of his Accounts.

10.10 Proper Proof. In any case in which an Employer or the Committee shall be required under the Plan to take action upon the occurrence of any event, they shall be under no obligation to take such action unless and until proper and satisfactory evidence of such occurrence shall have been received by them.

10.11 Genuineness of Documents. The Committee, and any Employer and its respective officers, directors and employees, shall be entitled to rely upon any notice, request, consent, letter, telegram or other paper or document believed by them or any of them to be genuine, and to have been signed or sent by the proper person, and shall be fully protected in respect of any action taken or suffered by them in good faith in reliance thereon.

10.12 Members May Direct Investments. The Committee shall permit, pursuant to Sections 5.2 and 5.3, a Member or Beneficiary to exercise control over assets in his Accounts by directing the Trustee with respect to the extent permitted by law and manner of investment of such assets, and if a Member or Beneficiary exercises such control, then notwithstanding any other provision of this Plan or the Trust Agreement:

10.12.1 such Member or Beneficiary shall not be deemed to be a fiduciary under the Plan or this Trust by reason of such exercise, and

10.12.2 no person who is otherwise a fiduciary (including, without limitation, the Trustee and any Committee member) shall be liable for any loss, or by reason of any breach, which results from such Member's or Beneficiary's exercise of control.

10.13 Records and Reports. The Committee shall maintain or cause to be maintained such records, as it deems necessary or advisable in connection with the administration of the Plan.

10.14 Recovery of Overpayments. Without limiting the generality of the Committee's power and discretion under Section 10.3(d) to rectify errors and supply omissions, in the event that the Committee determines that overpayments have been made to a Member or his spouse or Beneficiary, the Committee shall take such steps as it shall deem appropriate under the relevant facts and circumstances to recover such payments, with or without interest, and in case repayment is not otherwise made, to offset the amount to be recovered against subsequent payments otherwise becoming due to or in respect of such Member, spouse or Beneficiary at such time and to such extent as it shall deem appropriate.

ARTICLE XI

The Trust Agreement

11.1 The Trust Agreement. The Committee, on behalf of the Company and each other Employer, shall have power to appoint and remove a Trustee and to enter into or amend a Trust Agreement with the Trustee providing for the establishment of a Fund hereunder. The Trust Agreement shall be deemed to form a part of this Plan, and any and all rights which may accrue to any person under this Plan shall be subject to all the terms and provisions of such Trust Agreement. Copies of the Trust Agreement shall be filed with the Committee and, upon reasonable application and notice, shall be made available for inspection by any Member.

11.2 No Diversion of Fund. The Fund shall in no event (within the taxable year or thereafter) be used for or diverted to purposes other than for the exclusive benefit of Members and their Beneficiaries (including the payment of the expenses of the administration of the Plan and of the Trust Fund), except that at the Committee's request:

(a) A contribution that is made by an Employer by a mistake of fact may be returned to such Employer within one year after the payment of the contribution; and

(b) A contribution that is conditioned upon its deductibility under section 404 of the Code pursuant to Section 3.10 may be returned to the contributing Employer, to the extent that the contribution is disallowed as a deduction, within one year after such disallowance.

11.3 Duties and Responsibilities of the Trustee. The Trustee will hold and invest all funds as provided herein and in the Trust Agreement. The Trustee will make, at the direction of the Committee, all payments to Members and their Beneficiaries.

The Trustee shall not be required to make any payment of benefits or distributions out of the Fund, or to allocate or reallocate any amounts, except upon the written direction of the Committee. The Trustee shall not be charged with knowledge of any action by the Board of Directors or of the Termination of Employment of any Member, unless it shall be given written notice of such event by the Committee.

ARTICLE XII

Amendment

12.1 Right of the Company to Amend the Plan. The Company shall have the right at any time and from time to time to amend any or all of the provisions of this Plan by resolution of the Board of Directors, by action of the Compensation Committee of the Board of Directors or by action of the Company Representative, and all Employers and Members (and their Beneficiaries) shall be bound thereby. Except as provided in Section 12.3, no such amendment shall authorize or permit any part of the Fund to be used for or diverted to purposes other than for the exclusive benefit of the Members and their Beneficiaries, nor shall any amendment reduce any amount then credited to the individual accounts of any Member, reduce any Member's vested interest in his account, or affect the rights, duties and responsibilities of the Trustee without his written consent.

12.2 Plan Merger. The Plan may be amended in accordance with Section 12.1 to provide for the merger of the Plan, in whole or in part, or a transfer of all or part of its assets, into or to any other qualified plan within the meaning of section 401(a) of the Code, including such a merger or transfer in lieu of a distribution which might otherwise be required under the Plan. In the case of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, each Member shall be entitled to a benefit immediately after the merger, consolidation or transfer (if such other plan then terminated) which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had then been terminated).

12.3 Amendments Required by Law. All provisions of this Plan, and all benefits and rights granted hereunder, are subject to any amendments, modifications or alterations which are necessary from time to time, (a) to qualify the Plan under section 40l(a) of the Code, (b) to continue the Plan as so qualified, or (c) to comply with any other provision of law. Accordingly, notwithstanding any other provision of this Plan, the Company may amend, modify or alter the Plan with retroactive effect in any respect or manner necessary to qualify the Plan under section 40l(a) of the Code, to continue the Plan as so qualified, or to comply with any other provision of applicable law.

12.4 Right to Terminate. The Plan may be terminated at any time by resolution of the Board of Directors, provided that no such action shall permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than for the exclusive benefit of the Members and their beneficiaries under the Plan and for the payment of the administrative costs of the Plan.

12.5 Termination of Trust. If the Plan is terminated pursuant to Section 12.4, and the Board of Directors determines that the Fund shall be terminated, all of the Members' Accounts shall be nonforfeitable, the Fund shall be revalued as if the termination date were a Valuation Date, and the current value of all Accounts shall be distributed in accordance with Article VII, as if such Plan termination were a Termination of Employment, but only to the extent permitted under Section 8.14; provided, however, that the value of such Accounts shall be adjusted to reflect the expenses of termination to the extent such expenses are not paid by the Company. Until all Accounts are fully distributed, any remaining Accounts held in the Fund shall continue to be adjusted in accordance with Article V, and to reflect the expenses of termination.

12.6 Continuation of Trust. If the Plan is terminated by the Board of Directors but the Board of Directors determines that the Fund shall be continued pursuant to its terms and the provisions of this Section 12.6, no further contributions shall be made, the Members' Accounts shall be nonforfeitable, and the Fund shall be administered as though the Plan were otherwise in full force and effect. If the Fund is subsequently terminated, the provisions of Section 12.5 shall then apply.

12.7 Discontinuance of Contributions. Any Employer may at any time, by resolution of its board of directors, completely discontinue its participation in and contributions under the Plan, either completely or with respect to any specified group of its employees, and unless otherwise agreed to by the Board of Directors or the Company Representative, shall discontinue its participation and all contributions if it ceases for any reason to be a member of a controlled group of trades or businesses including the Company, within the meaning of section 414(b) or 414(c) of the Code. The Committee shall make such current or deferred distributions with respect to the Members affected by such discontinuance as it shall deem appropriate and in accordance with the Plan and applicable law, or the Committee may, subject to Section 12.2, direct that the portion of the Trust Fund allocable to such Members be transferred to a successor qualified plan or funding medium covering such Members. If such Employer completely discontinues contributions under the Plan, either by resolution of its board of directors or for any other reason, and such discontinuance is deemed a partial termination of the Plan within the meaning of section 411(d)(3) of the Code, the amounts credited to the Accounts of all affected Members (other than Members who, in connection with the discontinuance of Employer contributions, transfer employment to an Employer which continues to contribute under the Plan) shall be nonforfeitable.

ARTICLE XIII

Miscellaneous Provisions

13.1 Plan Not a Contract of Employment. Neither the establishment of the Plan created hereby, nor any amendment thereof, nor the creation of any Fund or Account, nor the payment of any benefits hereunder, shall be construed as giving to any Member or other person any legal or equitable right against any Employer, any officer or employee thereof, the Board of Directors or any member thereof, the Committee or any Trustee, except as provided herein and under no circumstances shall the terms of employment of any Member be in any way affected hereby.

13.2 Merger. The merger or consolidation of the Company with any other company or the transfer of the assets of the Company to any other company by sale, exchange, liquidation or otherwise, or the merger of this Plan with any other retirement plan, shall not in and of itself result in the termination of the Plan, or be deemed a Termination of Employment of any employee.

13.3 Claims Procedure. The Committee shall establish a claims procedure in accordance with applicable law, under which any Member or Beneficiary whose claim for benefits has been denied shall have a reasonable opportunity for a full and fair review of the decision denying such claim.

13.4 Controlling Law. The validity of this Plan or of any of its provisions shall be determined under, and shall be construed and administered according to, the laws of the State of New York (without regard to its choice of law principles), except to the extent preempted by ERISA, or any other applicable laws of the United States of America. No action (whether at law, in equity or otherwise) shall be brought by or on behalf of any person for or with respect to benefits due under this Plan unless the person bringing such action has timely exhausted the Plan's claim review procedure. Any action (whether at law, in equity or otherwise) must be commenced within three (3) years from the earlier of (a) the date a final determination denying such benefit, in whole or in part, is issued under the Plan's claim review procedure and (b) the date such person's cause of action first accrued.

13.5 Separability. If any provision of the Plan or the Trust Agreement is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan or the Trust Agreement, and the Plan and Trust Agreement shall be construed and enforced as if such provision had not been included therein.

13.6 Captions. The captions contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge or describe the scope or intent of the Plan nor in any way shall affect the Plan or the construction of any provision thereof.

13.7 Usage. Whenever applicable, the masculine gender, when used in the Plan, shall include the feminine or neuter gender, and the singular shall include the plural.

ARTICLE XIV

Leased Employees

14.1 Definitions. For purposes of this Article XIV, the term “Leased Employee” means any person (a) who performs or performed services for an Employer or Affiliate (hereinafter referred to as the “Recipient”) pursuant to an agreement between the Recipient and any other person (hereinafter referred to as the “Leasing Organization”), (b) who has performed such services for the Recipient or for the Recipient and related persons (within the meaning of section 144(a)(3) of the Code) on a substantially full-time basis for a period of at least one year, and (c) whose services are (effective January 1, 1997) performed under primary direction or control by the Recipient.

14.2 Treatment of Leased Employees. For purposes of this Plan, a Leased Employee shall be treated as an employee of an Affiliate whose service for the Recipient (including service during the one-year period referred to in Section 14.1) is to be taken into account in determining compliance with the service requirements of the Plan relating to participation and vesting. However, the Leased Employee shall not be entitled to share in contributions or forfeitures under the Plan with respect to any service or compensation attributable to the period during which he is a Leased Employee, and shall not be eligible to become a Member eligible to accrue benefits under the Plan unless and except to the extent that he shall at some time, either before or after his service as a Leased Employee, qualify as an Eligible Employee without regard to the provisions of this Article XIV (in which event, status as a Leased Employee shall be determined without regard to clause (b) of Section 14.1, to the extent required by applicable law).

14.3 Exception for Employees Covered by Plans of Leasing Organization. Section 14.2 shall not apply to any Leased Employee if such employee is covered by a money purchase pension plan of the Leasing Organization meeting the requirements of section 414(n)(5)(B) of the Code and Leased Employees do not constitute more than twenty percent (20%) of the aggregate “nonhighly compensated work force” (as defined in section 414(n)(5)(C)(ii) of the Code) of all Employers and Affiliates.

14.4 Construction. The purpose of this Article XIV is to comply with the provisions of section 4l4(n) of the Code. All provisions of this Article shall be construed consistently therewith, and, without limiting the generality of the foregoing, no individual shall be treated as a Leased Employee except as required under such section.

ARTICLE XIV

"Top-Heavy" Provisions

15.1 Determination of "Top-Heavy" Status.

15.1.1 Applicable Plans. For purposes of this Article XV, "Applicable Plans" shall include (a) each plan of an Employer or Affiliate in which a Key Employee (as defined in Section 15.1.2 for this Plan, and as defined in section 416(i) of the Code for each other Applicable Plan) participates during the five (5)-year period ending on such plan's "determination date" (as described in Section 15.1.4 below) and (b) each other plan of an Employer or Affiliate which, during such period, enables any plan in clause (a) of this sentence to meet the requirements of section 401(a)(4) or 410 of the Code. Any plan not required to be included under the preceding sentence may also be included, at the option of the Company, provided that the requirements of sections 401(a)(4) and 410 of the Code continue to be satisfied for the group of Applicable Plans after such inclusion. Applicable Plans shall include terminated plans, frozen plans, and to the extent that benefits are provided with respect to service with an Employer or an Affiliate, multiemployer plans (described in section 414(f) of the Code) and multiple employer plans (described in section 413(c) of the Code) to which an Employer or an Affiliate makes contributions.

15.1.2 Key Employee. For purposes of this Article XV, "Key Employee" for any Plan Year shall mean an employee (including a former employee, whether or not deceased) of an Employer or Affiliate who, at any time during a given Plan Year (or, for Plan Years beginning prior to January 1, 2002, any of the four (4) preceding Plan Years), is one or more of the following:

(a) An officer of an Employer or Affiliate having Total Earnings greater than:

(i) for Plan Years ending prior to January 1, 2002, fifty percent (50%) of the dollar amount in effect under section 415(b)(1)(A) of the Code for any such Plan Year; and

(ii) for Plan Years beginning on or after January 1, 2002, $130,000 (as adjusted under section 416(i) of the Code);

provided that the number of employees treated as officers shall be no more than fifty (50) or, if fewer, the greater of three (3) employees or ten percent (10%) of the employees (exclusive of employees described in section 414(q)(5) of the Code).

(b) For Plan Years ending prior to January 1, 2002, one of the ten (10) employees (i) having Total Earnings from the Employer or Affiliate of more than the dollar amount described in Section 6.2 and (ii) owning (or considered as owning, within the meaning of section 416(i) of the Code), the largest percentage interests in value of an Employer or Affiliate, provided that such percentage interest exceeds one-half percent (.5%) in value. If two employees have the same interest in the Employer or Affiliate, the employee having greater Total Earnings shall be treated as having a larger interest.

(c) A person owning (or considered as owning, within the meaning of section 416(i) of the Code) more than five percent (5%) of the outstanding stock of the

Employer or Affiliate, or stock possessing more than five percent (5%) of the total combined voting power of all stock of the Employer or Affiliate (or having more than five percent (5%) of the capital or profits interest in any Employer or Affiliate that is not a corporation, determined under similar principles).

(d) A one percent (1%) owner of an Employer or an Affiliate having Total Earnings of more than one hundred fifty thousand dollars ($150,000). "One percent (1%) owner" means any person who would be described in paragraph (c) of this Section 15.1.2 if "one percent (1%)" were substituted for "five percent (5%)" in each place where it appears in paragraph (iii).

15.1.3 Top Heavy Condition. In any Plan Year during which the sum, for all Key Employees (as defined in Section 15.1.2 for this Plan and as defined in section 416(i) of the Code for each other Applicable Plan) of the present value of the cumulative accrued benefits under all Applicable Plans which are defined benefit plans (determined based on the actuarial assumptions set forth in the "top-heavy" provisions of such plans) and the aggregate of the accounts under all Applicable Plans which are defined contribution plans, exceeds sixty percent (60%) of a similar sum determined for all members in such plans (but excluding members who are former Key Employees), the Plan shall be deemed "Top-Heavy."

15.1.4 Determination Date. The determination as to whether this Plan is "Top-Heavy" for a given Plan Year shall be made on the last day of the preceding Plan Year (the "Determination Date"); and other plans shall be included in determining whether this Plan is "Top-Heavy" based on the determination date as defined in Code section 416(g)(4)(C) for each such plan which occurs in the same calendar year as such Determination Date for this Plan.

15.1.5 Valuation. The value of account balances and the present value of accrued benefits for each Applicable Plan will be determined subject to Code section 416 and the regulations thereunder, as of the most recent Valuation Date occurring within the l2-month period ending on the applicable determination date for such plan.

15.1.6 Distribution within Determination Period. Subject to Section 15.1.7, distributions from the Plan or any other Applicable Plan on account of severance from employment, death, or disability, made during the one (1)-year period ending on the applicable determination date and other distributions from the Plan or any other Applicable Plan during the five (5)-year period ending on the applicable determination date (or, prior to January 1, 2002, all distributions from the Plan during the five (5)-year period ending on the applicable determination date) shall be taken into account in determining whether the Plan is "Top-Heavy."

15.1.7 No Services within Determination Period. Benefits and distributions shall not be taken into account with respect to any individual who has not rendered any services to any Employer or Affiliate at any time during the one (1)-year period (or prior to January 1, 2002 during the five (5)-year period) ending on the applicable Determination Date.

15.1.8 Compliance with Code Section 416. The calculation of the "Top-Heavy" ratio, and the extent to which distributions, rollovers and transfers are taken into account will be made in accordance with Code section 416.

15.1.9 Deductible Employee Contributions. Deductible employee contributions will not be taken into account for purposes of computing the "Top-Heavy" ratio.

15.1.10 Beneficiaries. The terms "Key Employee" and "Member" include their beneficiaries.

15.1.11 Accrued Benefit Under Defined Benefit Plans. Solely for purposes of determining whether this Plan or any other Applicable Plan is "Top-Heavy" for a given Plan Year, the accrued benefit under any defined benefit plan of a Member other than a Key Employee shall be determined under (a) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer or an Affiliate, or (b) if there is no such method, as if such benefit accrued not more rapidly than at the slowest accrual rate permitted under the fractional accrual rule of section 411(b)(1)(C) of the Code.

15.2 Provisions Applicable in "Top-Heavy" Plan Years. For any Plan Year in which the Plan is deemed to be "Top-Heavy," the following provisions shall apply to any Member who has not terminated employment before such Plan Year:

15.2.1 Required Allocation. The amount of Employer contributions and forfeitures which shall be allocated to the account of any active Member who (a) is employed by an Employer or Affiliate on the last day of the Plan Year and (b) is not a Key Employee shall be (i) at least three percent (3%) of such Member's Total Earnings for such Plan Year up to the Compensation Limit of the Plan Year (as defined in Section 1.13 hereof), or, (ii) if less, an amount equal to such Total Earnings multiplied by the highest allocation rate for any Key Employee. For purposes of the preceding sentence, the allocation rate for each individual Key Employee shall be determined by dividing the employer contributions and forfeitures allocated to such Key Employee's account (including Elective Contributions) under all Applicable Plans, considered together by his Total Earnings up to such Compensation Limit; provided, however, that clause (ii) above does not apply if this Plan enables a defined benefit plan required to be so aggregated under Section 15.1.1 above to meet the requirements of section 401(a)(4) or 410 of the Code. The minimum allocation provisions of this Section 15.2.1 shall, to the extent necessary, be satisfied by special Employer contributions made by the Employer for that purpose. Notwithstanding the foregoing, the minimum allocations otherwise required by this Section 15.2.1 shall not be required to be made for any Member (y) if such Member is covered under a defined benefit plan maintained by an Employer or an Affiliate which provides the minimum benefit required under section 416(c)(1) of the Code, and/or (z) to the extent that the minimum allocation otherwise required by this Section 15.2.1 is made under another defined contribution plan maintained by an Employer or an Affiliate. In addition, any minimum allocation required to be made for a Member who is not a Key Employee shall be deemed satisfied to the extent of the benefits provided by any other qualified plan maintained by an Employer or an Affiliate. Elective Contributions by a non-Key Employee shall be disregarded in determining the amount of contributions required to be allocated for his benefit under this Section 15.2.1 but Matching Contributions (for Plan Years beginning on or after January 1, 2002) and Discretionary Contributions for a non-Key Employee shall be taken into account.

15.2.2 Vesting. Any Member shall be vested in the aggregate of his Employer Contribution Account on a basis at least as favorable as is provided under the following schedule:

Years of Employment	Percentage Vested
Less Than 2 Years..	—%
2 Years But Less Than 3.............................	20%
3 Years But Less Than 4.............................	40%
4 Years But Less Than 5.............................	60%
5 Years But Less Than 6.............................	80%
6 Years Or More...	100%

In any Plan Year in which the Plan is not deemed to be "Top-Heavy," the minimum vested percentage of any Matching Account and Discretionary Contribution Account shall be no less than that which was determined as of the last day of the last Plan Year in which the Plan was deemed to be "Top-Heavy." The minimum vesting schedule set out above shall apply to all benefits within the meaning of Code section 411(a)(7) except those attributable to employee contributions, including benefits accrued before the effective date of this Article XV and benefits accrued before the Plan became "Top-Heavy." Any vesting schedule change caused by alterations in the Plan's "Top-Heavy" status shall be deemed to result from a Plan amendment giving rise to the right of election required by Code section 411(a)(10)(B).

15.2.3 Bargaining Unit Employees. The provisions of Sections 15.2.1 and 15.2.3 shall not apply to any employee included in a unit of employees covered by a collective bargaining agreement if, within the meaning of section 416(i)(4) of the Code, retirement benefits were the subject of good faith bargaining.

ARTICLE XVI

Catch-Up Contributions

16.1 General. All employees who are eligible to make Elective Contributions under this Plan and who have attained or are projected to attain age 50 before the close of the Plan Year ("Catch-up Eligible Members") shall be eligible to make catch-up contributions in excess of an otherwise applicable statutory or Plan limit in accordance with, and subject to the limitations of this Article XVI.

16.2 Method of Contribution. Contributions intended to qualify as Catch-up Contributions shall be made in accordance with such procedures as the Committee may specify from time to time. Such procedures shall, without limitation, permit a Catch-up Eligible Member for a calendar year to elect to make Elective Contributions in excess of any percentage limit lower than 75% otherwise applicable under Section 3.1.1, in an amount for each pay period equal to the total amount of catch-up contributions permitted for the calendar year under Section 16.4 divided by the number of payroll periods (or remaining payroll periods) applicable to the Member in such year, or in any greater amount the Member may specify that the Committee determines is permitted under such procedures, and to suspend and reinstate such elections in accordance with such procedures.

16.3 Ineligibility for Matching Contributions. Catch-up Contributions, and any amounts so designated under Section 16.2 (whether or not they qualify as Catch-up Contributions under Section 16.6) shall not be eligible for Matching Contributions.

16.4 Limit on Catch-Up Contribution. The total amount of Catch-up Contributions allowed for any calendar year for any Member under this Plan and any similar contributions under any other plan of an Employer or Affiliate shall not exceed the limit applicable under section 414(v) of the Code, which as adjusted for the calendar years after 2006 is the amount applicable under the following table:

Calendar Year	Limit
2007	$ 5,000
2008	$ 5,000
2009	$ 5,500

The limit for years after 2009 shall be adjusted for cost of living increases in accordance with section 414(v) of the Code.

16.5 Treatment of Catch-up Contributions. Contributions made pursuant to a Member's election under Section 16.2 shall be credited to the Member's Elective Account and shall be treated as Elective Contributions, except to the extent that a different treatment is specified in this Article XVI.

16.6 Qualification as Catch-up Contributions. Elective Contributions made pursuant to Section 16.2 shall be treated as Catch-up Contributions for the Plan Year to the extent that (i) the Member's Elective Contributions for the year exceed the Elective Deferral Limit for the corresponding calendar year or (ii) as of the end of the year, the total amount of Elective

Contributions made pursuant to such election and under Section 3.1 exceeds the applicable percentage limit under Section 3.1.1 multiplied by the Member's total Compensation for the entire Plan Year or portion thereof during which the Member was eligible to make Elective Contributions. To the extent a Catch-up Eligible Member has not made the maximum amount of Catch-up Contributions permitted for a calendar year, any Excess Contributions otherwise distributable to the Member under Section 3.3 in order to comply with ADP test limits shall be recharacterized as Catch-up Contributions to the maximum extent permitted under Section 16.4.

16.7 Catch-up Contributions Disregarded for Certain Purposes. Elective Contributions qualifying as Catch-up Contributions under Section 16.6 shall not be taken into account for purposes of the provisions of the Plan implementing the regular dollar limitations of Code section 402(g) (Sections 1.22 and 3.1.6) and Code section 415 (Section 3.3.5 and Article VI). The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Code section 401(k)(3) (such as Section 3.3), 410(b), or 416 of the Code, as applicable, by reason of the making of such Catch-up Contributions.

ARTICLE XVII

Auto-enrollment

17.1 Employees Subject to Auto-enrollment. This Article XVII applies to each Eligible Employee who is first hired as an Eligible Employee, or returns to employment as an Eligible Employee after a separation from service, or transfers to employment as an Eligible Employee from other employment with an Affiliate or Employer, on or after January 1, 2008.

17.2 Auto-enrollment. Each Eligible Employee eligible for auto-enrollment under Section 17.1, on initially qualifying as a Member under Section 2.1, requalifying as a Member under Section 2.6, or initially or requalifying as a Member under Section 2.4.1, shall be deemed to have elected to contribute three percent (3%) of his/her Compensation under the Plan as Elective Contributions unless such employee makes an election to have no Elective Contributions made on his behalf, or to contribute a different percentage, prior to the deadline established by the Committee for his electing out of auto-enrollment under this Section 17.2 (his "Auto-enrollment Effective Date). Such deemed election shall be treated as a Contribution Agreement for all purposes of the Plan and shall continue in effect unless and until such time (if any) as (i) such Member suspends his/her deferrals thereunder or elects another amount or percentage of deferrals in accordance with Plan provisions and procedures for making such changes, or (ii) such deferrals are suspended by reason of any other provision of the Plan. Unless the Member elects a different Investment Fund in accordance with Plan procedures prior to the Auto-enrollment Effective Date, Elective Contributions made pursuant to this Article XVII shall be invested in such Default Investment Fund or Funds that the Committee shall from time to time designate and shall remain so invested until and unless the Member files an investment election in accordance with Section 5.2 or 5.3, as applicable. The Committee may establish and adopt rules, regulations and/or administrative guidelines to facilitate the administration and operation of the provisions of this Article XVII as it may deem necessary or advisable in its sole discretion.

17.3 Initial Notice. Any Eligible Employee to whom this Article XVII applies shall be provided with an initial notice as soon as practicable in accordance with Treas. Reg. 1.414(w) prior to his Auto-enrollment Effective Date. Such notice shall describe (i) the level of contributions which will be made absent an affirmative election, (ii) the right to elect a different contribution level or to elect not to make any contributions, (iii) the right to make investment elections under the Plan, and (iv) how contributions and earnings will be invested if no election is made.

17.4 Annual Notice. Notice shall be given annually to each Covered Employee, at least 30 days prior to each Plan Year or within such other time as may be required under applicable law or regulations, which shall explain (i) the auto-enrollment rules described in this Article XVII, including the default rate of contribution and the right not to make Elective Contributions and (ii) the right of each Member to designate how contributions and earnings under the Plan will be invested, and how they will be invested in the absence of any such investment election. For purposes of this Section 17.4, a Covered Employee is an Eligible Employee who has been enrolled pursuant to Section 17.2 and has not since made an affirmative election to (i) cease all Elective Contributions, or (ii) change the amount or percentage of Elective Contributions, with respect to his or her Account.

17.5 Notice Procedures. Notice shall be treated as duly given or provided for purposes of this Article XVII if it has been mailed by first class mail to the last known address of the Eligible Employee on the records of the Employer and the mailing has not been returned to the Employer, or is furnished by any other form of delivery, including electronic, in conformity with applicable regulations.

17.6 Election to Disenroll. Effective, January 1, 2010, and in accordance with Treas. Reg. § 1.414(w)-1, an Eligible Employee who has been enrolled in the Plan pursuant to this Article XVII may elect to disenroll and have the Elective Contributions made on his behalf, unadjusted for losses, returned to him, provided that he notifies the Company of his election to withdraw, on the Appropriate Form within 90 days of the day the first Compensation that was withheld pursuant to this Article XVII would have been paid to him.

IN WITNESS WHEREOF, ARROW ELECTRONICS, INC. has caused this instrument to be executed by its duly authorized officer, and its corporate seal to be hereunto affixed, this 18th day of December 2012.

ATTEST:	ARROW ELECTRONICS, INC.
/s/ Gregory Tarpinian	By /s/ Peter S. Brown
Assistant Secretary	Senior Vice President

SUPPLEMENT NO. 1

In connection with the acquisition by the Company of the electronics distribution businesses of Ducommun Incorporated (the "Ducommun Acquisition"), the Plan is amended in the following respects:

S1.1 In the case of any individual who became an Eligible Employee on or about January 11, 1988 in connection with the Ducommun Acquisition, and who remained an Eligible Employee continuously from that time through December 31, 1989, the term "Year of Service" shall include, effective on and after January 1, 1990, any Plan Year (i) during which such Eligible Employee was employed by Ducommun and (ii) which would have been a Plan Year of Employment had such Eligible Employee been employed instead by an Employer.

SUPPLEMENT NO. 2

In connection with the acquisition by the Company of all of the issued and outstanding shares of common stock of Lex Electronics Inc., which at the time of such acquisition owned all of the issued and outstanding shares of common stock of Almac Electronics Corporation, the Plan is amended in the following respects:

S2.1 As used in this Supplement No. 2, the following terms have the meanings set forth in this Section S2.1.

(a) "Lex Plan" means the Lex Service (U.S.) Performance Incentive Plan (named the Lex Electronics (U.S.) Performance Incentive Plan prior to September 18, 1991).

(b) "Lex Transferee" means an individual who becomes an Eligible Employee on or about September 27, 1991 in connection with the Acquisition.

S2.2 Any Lex Transferee who on September 27, 1991 was eligible to become a member of the Lex Plan pursuant to section 2.01 thereof shall become a Member of the Plan immediately upon becoming an Eligible Employee. Any other Lex Transferee shall become a Member of the Plan in accordance with Section 2.1. For purposes of satisfying the requirements of Section 2.1, the following provisions shall apply:

(a) A Lex Transferee who would have become eligible for membership in the Lex Plan pursuant to section 2.01 thereof upon completion of a 12-month computation period in which he was credited with 1,000 hours of service shall be credited with Hours of Service under the Plan equal in number to the number of hours of service credited to him under the Lex Plan during the computation period in effect on September 27, 1991.

(b) A Lex Transferee who would have become eligible for membership in the Lex Plan pursuant to section 2.01 thereof upon completion of six months of service within the meaning of section 1.35 of the Lex Plan shall be credited under the Plan with the period of service credited to him under the Lex Plan as of September 27, 1991, converted to Hours of Service on the basis that one month equals 190 Hours, one week equals 45 Hours, and one day equals 10 Hours.

S2.3 For purposes of determining a Lex Transferee's Years of Service, he shall be credited with the number of full years of service credited to him as of September 27, 1991 for purposes of vesting under the Lex Plan and with any fractional year thus credited to him, which fractional year shall be converted to Hours of Service on the basis that one month equals 190 Hours, one week equals 45 Hours, and one day equals 10 Hours. #4823-1117-2360v5

SUPPLEMENT NO. 3

In connection with the acquisition by the Company of certain assets of Zeus Components, Inc. (the “Zeus Acquisition”), the Plan is amended in the following respects:

S3.1 In the case of an individual who becomes employed by an Employer or Affiliate on or about May 19, 1993 in connection with the Zeus Acquisition (a “Zeus Transferee”), service with Zeus Components, Inc. shall be treated for purposes of Section 2.1 as though it were service with an Employer or Affiliate. For this purpose, any service measured in terms of elapsed time shall be converted to Hours of Service on the basis that one month equal 190 Hours, one week equals 45 Hours and one day equals 10 Hours.

S3.2 A Zeus Transferee who, taking account of Section S3.1, satisfies the eligibility requirements set forth in Section 2.1 on May 19, 1993 shall become a Member on such date.

S3.3 In the case of a Zeus Transferee who continues to be employed by an Employer or Affiliate through December 31, 1994, service with Zeus Components, Inc. shall be treated, on and after January 1, 1995, as service with an Employer or Affiliate for purposes of determining such Zeus Transferee's Years of Service under the Plan. For this purpose, any service measured in terms of elapsed time shall be converted to Hours of Service on the basis that one month equal 190 Hours, one week equals 45 Hours and one day equals 10 Hours.

SUPPLEMENT NO. 4

In connection with the acquisition by Arrow Electronics, Inc. of all of the issued and outstanding shares of common stock of Gates/FA Distributing, Inc. (the "Gates Acquisition"), the Plan is amended as follows:

S4.1 In the case of an individual who becomes an employee of an Employer or Affiliate on or about September 23, 1994 in connection with the Gates Acquisition, service with Gates/FA Distributing, Inc. shall be treated, for purposes of Section 2.1 and for purposes of determining such individual's Years of Service under the Plan, as though it were service with an Employer or Affiliate. For this purpose, any service measured in terms of elapsed time shall be converted to Hours of Service on the basis that one month equals 190 Hours of Service, one week equals 45 Hours of Service and one day equals 10 Hours of Service. An individual described in this Section S4.1 shall become a Member on the first Entry Date on or after January 1, 1995 on which he has satisfied the requirements of Section 2.1.

S4.2 On or about March 1,1996, participant accounts in the Gates/FA Distributing, Inc. 401(k) Plan (the "Gates Plan") shall, to the extent attributable to employee salary deferrals, be transferred to Elective Accounts under the Plan. Other amounts in participant accounts under the Gates Plan shall, to the extent not distributed to Members, be transferred to Rollover Accounts under the Plan.

SUPPLEMENT NO. 5

In connection with the acquisition by Arrow Electronics, Inc. of all of the issued and outstanding shares of common stock of Anthem Electronics, Inc. (the “Anthem Acquisition”), the Plan is amended as follows:

S5.1 In the case of an individual who becomes an employee of an Employer or Affiliate on or about November 20, 1994 in connection with the Anthem Acquisition, service with Anthem Electronics, Inc. shall be treated, for purposes of Section 2.1 and for purposes of determining such individual's Years of Service under the Plan, as though it were service with an Employer or Affiliate. For this purpose, any service measured in terms of elapsed time shall be converted to Hours of Service on the basis that one month equals 190 Hours of Service, one week equals 45 Hours of Service and one day equals 10 Hours of Service. An individual described in this Section S5.1 shall become a Member on September 1, 1995 if he has then satisfied the requirements of Section 2.1, and otherwise on the first Entry Date thereafter on which he has satisfied such requirements.

S5.2 On or about October 1, 1995, participant accounts in the Anthem Electronics, Inc. Salary Savings Plan (the “Anthem Plan”) shall, to the extent attributable to employee salary deferrals, be transferred to Elective Accounts under the Plan. Other amounts in participant accounts in the Anthem Plan shall, to the extent not distributed to Members, be transferred to Rollover Accounts under the Plan. Amounts required to be distributed in order to satisfy nondiscrimination testing of the Anthem Plan for 1995 may be paid from the Plan.

SUPPLEMENT NO. 6

TO THE

ARROW ELECTRONICS SAVINGS PLAN

Special Provisions Applicable
to Former Members of the Capstone Electronics Profit-Sharing Plan

Effective as of December 31, 1996, the Capstone Electronics Profit-Sharing Plan (the "Capstone Plan") merged into this Plan, and the terms of this Plan superseded in all respects the terms of the Capstone Plan. This Supplement No. 6 provides for such merger (the "Merger") and sets forth special provisions of the Plan that apply to former members of the Capstone Plan.

S6.1 Special Definitions. For purposes of this Supplement 6:

S6.1.1 "Capstone" means Capstone Electronics Corp., a Delaware corporation.

S6.1.2 "Capstone Account" means the account maintained under the Capstone Plan for each Capstone Member immediately prior to the Merger.

S6.1.3 "Capstone Member" means a member of the Capstone Plan who had an undistributed Capstone Account immediately prior to the Merger or who was eligible under section 4.2 of the Capstone Plan to share in the Capstone Plan contribution (if any) made with respect to the 1996 Plan Year.

S6.1.4 "Capstone Plan" means the Capstone Electronics Profit- Sharing Plan, as in effect prior to the Merger.

S6.1.5 "Capstone Trust Fund" means the trust fund maintained under the Capstone Plan immediately prior to the Merger.

S6.2 Membership in Plan Effective December 31, 1996. Capstone Members will become Members of the Plan effective on December 31, 1996.

S6.3 Merger. Effective as of December 31, 1996, the Capstone Plan and Capstone Trust Fund are merged into this Plan and the trust thereunder, respectively, and the terms of this Plan supersede in all respects the terms of the Capstone Plan with respect to the Capstone Accounts. All persons (including current and former employees and their beneficiaries) having an interest under the Capstone Plan prior to December 31, 1996 shall, on and after December 31, 1996, be entitled to benefits provided solely from this Plan (including this Supplement No. 6), in lieu of any and all interest which they had or may have had under the Capstone Plan.

S6.4 Transfer of Capstone Trust Fund. The assets held by the trustees of the Capstone Trust Fund shall be transferred to the Trustee on December 31, 1996 or as soon as practicable thereafter. If and to the extent that such transfer is not completed on December 31, 1996, such trustees shall hold such assets, as adjusted for investment gain or loss thereon and expenses attributable thereto, as an additional trustee under this Plan, until such transfer is completed.

S6.5 Allocation to Accounts. Funds transferred to the Trustee in respect of a Member's Capstone Account shall be allocated under the Plan to such Member's existing Matching Account (if any) and otherwise to a Matching Account of such Member established to receive the transferred funds.

S6.6 Investment of Transferred Accounts. Funds transferred to the Trustee in respect of a Member's Capstone Account pursuant to Section S6.4 shall be invested in the same Investment Funds in the same proportions as the Member's Capstone Account was invested immediately prior to such transfer. Thereafter, the Member may change the percentage of his Matching Account that is invested in each Investment Fund in accordance with Article V of the Plan.

S6.7 Credit Under the Plan for Years of Service with Capstone. A Capstone Member's Years of Service under the Plan shall be the service credited to such Member for vesting purposes under the Capstone Plan as of December 31, 1996 plus any additional service credited under the rules of this Plan for periods before or after January 1, 1997 but without duplication.

S6.8 Pre-Merger Elections and Designations. Notwithstanding any other provision of this Plan, (a) elections as to timing or form of benefit made, (b) designations of beneficiaries made, and (c) provisions that became applicable based on a failure to make an available election or designation, under the Capstone Plan on or before December 31, 1996, shall be given effect with respect to Capstone Members who retired or terminated employment under the terms of the Capstone Plan, or died, on or before December 31, 1996, and distribution shall be made in respect of such Members in accordance with the applicable provisions of the Capstone Plan as in effect at the relevant time or times prior to such date.

S6.9 Beneficiary Designation. Beneficiary designations made under the Capstone Plan on or before December 31, 1996 by Capstone Members shall be given effect as if made under the Plan, unless and until superseded by a different actual or deemed designation (such as may occur on marriage of a single Member) under this Plan.

S6.10 Contributions. Prior to the filing deadline for its 1996 federal income tax return, Capstone may, in its sole discretion, make a contribution to the Capstone Plan with respect to each Capstone Member who was eligible to share in such a contribution under section 4.2 of the Capstone Plan, by paying such contribution into the Plan as the continuation of the Capstone Plan by reason of the Merger. Such contribution shall be allocated among such Capstone Members in accordance with the provisions of the Capstone Plan governing contributions for the 1996 Year and accounted for under the Plan in the Member's Matching Account.

S6.11 Capstone Plan Amended. The provisions of this Supplement 6 shall be treated as an amendment to and part of the Capstone Plan, effective December 31, 1996, to the extent necessary to give full effect to this Supplement

SUPPLEMENT NO. 7

TO

ARROW ELECTRONICS SAVINGS PLAN

Special Provisions Applicable to
Former Employees of Farnell Electronic Services

In connection with the acquisition by the Company of all the issued and outstanding shares of common stock of Farnell Holding, Inc. (the “Farnell Acquisition”), which wholly owns Farnell Electronics, Inc., of which Farnell Electronic Services is a division, the Plan is amended in the following respects:

S7.1 Special Definitions. For purposes of this Supplement No. 7:

S7.1.1 “Elective Subaccount” means a subaccount within a Member's Elective Account to which elective deferrals made under the Farnell Plan are transferred.

S7.1.2 “Farnell” means Farnell Electronic Services.

S7.1.3 “Farnell Account” means an account maintained under the Farnell Plan immediately prior to the Farnell Plan Termination containing elective deferrals, matching contributions, profit-sharing contributions and rollover contributions, as applicable, for a Farnell Member.

S7.1.4 “Farnell Member” means a participant in the Farnell Plan who had an undistributed account thereunder immediately prior to the Farnell Plan Termination.

S7.1.5 “Farnell Plan” means the Farnell Electronic Services 401(k) Savings Plan as in effect prior to the Farnell Plan Termination.

S7.1.6 “Farnell Plan Termination” means the termination of the Farnell Plan effective March 24, 2000.

S7.1.7 “Farnell Transferee” means a Farnell Member who becomes employed by an Employer on or about May 26, 1997 in connection with the Farnell Acquisition.

S7.1.8 “Farnell Trust Fund” means the trust fund maintained under the Farnell Plan immediately prior to the Farnell Plan Termination.

S7.1.9 “Rollover Subaccount” means a subaccount within a Member's Rollover Account to which, with respect to Farnell Transferees, matching, profit-sharing and rollover contributions but not elective deferrals made under the Farnell Plan were transferred and, with respect to all other Farnell Members, elective deferrals, matching contributions, profit-sharing contributions and rollover contributions made under the Farnell Plan were transferred.

S7.2 Membership in Plan. Each Farnell Transferee shall become a Member of the Plan on May 26, 1997. On March 24, 2000, each other Farnell Member shall also become a

Member, but solely with respect to such Member's Rollover Subaccount, and shall be treated for all purposes of the Plan as a Member who has terminated employment.

S7.3 Transfer of Farnell Trust Fund. The assets held by the trustees of the Farnell Trust Fund shall be transferred to the Trustee on March 24, 2000 or as soon as practicable thereafter. If and to the extent such transfer is not completed on March 24, 2000, such trustees shall hold such assets as adjusted for investment gain or loss thereon and expenses attributable thereto, as an additional trustee under the Plan, until such transfer is completed.

S7.4 Allocation of Transferred Accounts. Funds transferred to the Trustee shall be allocated as follows: in respect of a Farnell Transferee's Farnell Account, to such Farnell Member's Elective or Rollover Subaccounts, as applicable; in respect of all other Farnell Accounts, to a Rollover Subaccount.

S7.5 Investment of Transferred Assets. Funds transferred to the Trustee pursuant to Section S7.3 shall be invested in Fidelity Retirement Government Money Market Fund. Thereafter, the Member may change the portion of his Accounts that are invested in each Investment Fund in accordance with Article V of the Plan.

S7.6 Credit Under the Plan for Service with Farnell. Eligibility to participate, Hours of Service and Years of Service under the Plan shall be determined by taking into account employment with Farnell prior to May 26, 1997 as if Farnell had been an Affiliate for the period during which it maintained the Farnell Plan, and any additional period credited for vesting purposes under the Farnell Plan and not disregarded under the break in service rules under the Farnell Plan or this Plan. The Committee may use and rely upon records maintained by Farnell to compute Hours of Service in order to determine the Years of Service to be credited to such former employee and his eligibility to participate in accordance with Section 2.1 based on his employment with Farnell.

S7.7 Alternative Forms of Payment Preserved to February 1, 2002. Any individual who is a Farnell Transferee at the time of his termination of employment, and any other Farnell Member who is not employed by an Employer or Affiliate, who has vested Accounts exceeding $5,000 and who elects on the Appropriate Form to receive a distribution commencing as of a date on or before February 1, 2002 may on such form elect one of the following with respect to the vested amounts held in his Elective and Rollover Subaccounts:

(a) an annuity, which in the case of a married Member shall, except as provided below, be in the form of a “Joint and Fifty-Percent Survivor Annuity” (i.e., an annuity for the life of the Member with a survivor annuity for the life of his spouse which is fifty percent of the amount of the annuity payable during the joint lives of the Member and his spouse), and which in the case of an unmarried Member, or of a married Member who has waived the Joint and Fifty-Percent Survivor Annuity option with spousal consent in accordance with applicable regulations, shall be in the form of a straight-life annuity, in each case to be provided by the purchase of an annuity contract on a unisex basis;

(b) a series of installment payments made on a monthly, quarterly, or annual basis over a reasonable fixed period of time not exceeding the life expectancy of the Member;

(c) a single sum payment.

S7.8 Withdrawals During Employment.

S7.8.1 Withdrawals During Employment Irrespective of Age. A Farnell Transferee who is employed by an Employer or Affiliate may elect, no more frequently than once in any six-month period, to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Rollover Subaccounts (including investment earnings allocable thereto).

S7.8.2 Withdrawals During Employment After Age 59-1/2. After attaining age 59-1/2, a Farnell Transferee who is employed by an Employer or Affiliate may elect, no more frequently than once in any six-month period, to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Elective and Rollover Subaccounts (including investment earnings allocable thereto).

SUPPLEMENT NO. 8

TO

ARROW ELECTRONICS SAVINGS PLAN

Special Provisions Applicable
to Employees of Consan, Incorporated

Effective as of July 3, 2000, the Consan, Incorporated 401(k) Profit Sharing Plan (the "Consan Plan") merged into this Plan, and the terms of this Plan superseded the terms of the Consan Plan. This Supplement No. 8 provides for such merger ("Merger") and sets forth special provisions that apply to employees of Consan, Incorporated on and after its adoption of this Plan effective April 26, 1997.

S8.1 Special Definitions. For purposes of this Supplement No. 8:

S8.1.1 "Consan" means Consan, Incorporated.

S8.1.2 "Consan Account" means an account maintained under the Consan Plan immediately prior to the Merger containing elective deferrals for a Consan Member.

S8.1.3 "Consan Member" means a participant in the Consan Plan who had an undistributed account thereunder immediately prior to the Merger.

S8.1.4 "Consan Plan" means the Consan, Incorporated 401(k) Profit Sharing Plan as in effect prior to the Merger.

S8.1.5 "Consan Trust Fund" means the trust fund maintained under the Consan Plan immediately prior to the Merger.

S8.1.6 "Elective Subaccount" means a subaccount within a Member's Elective Account to which elective deferrals made under the Consan Plan are transferred.

S8.2 Continuation of Consan Contributions Under This Plan. Consan maintained a program of making elective deferral contributions through the Consan Plan through April 25, 1997, and effective April 26, 1997, transferred such program to this Plan by becoming an Employer under this Plan, making contributions herewith in lieu of contributions under the Consan Plan and arranging for the merger of the Consan Plan with this Plan.

S8.3 Membership in Plan Effective April 26, 1997. Each Consan Member who is employed by an Employer on April 26, 1997 shall become a Member of the Plan on that date. Any other employee of Consan who is employed by an Employer on such date who then satisfies the minimum age and 90-day waiting period requirements of Section 2.1 (after giving effect to Section S8.9) shall become a Member on the first date that such employee receives Compensation from such Employer, which date shall constitute the Entry Date for such employee. Each Consan Member who is not then employed by an Employer shall become a Member on July 3, 2000, but solely with respect to his Consan Account unless he otherwise qualifies as Member under the Plan.

S8.4 Merger. Effective July 3, 2000, the Consan Plan and the Consan Trust Fund are merged into this Plan, and the terms of this Plan supersede the terms of the Consan Plan. All persons (including current and former employees and their beneficiaries) having an interest under the Consan Plan immediately prior to July 3, 2000 shall, on and after July 3, 2000, be entitled to benefits solely from the Plan (including this Supplement No. 8), in lieu of any and all interest which they had or may have had under the Consan Plan.

S8.5 Transfer of Consan Trust Fund. The assets held by the trustees of the Consan Trust Fund shall be transferred to the Trustee on July 3, 2000 or as soon as practicable thereafter. If and to the extent that such transfer is not completed on July 3, 2000, such trustees shall hold such assets as adjusted for investment gain or loss thereon and expenses attributable thereto, as an additional trustee under this Plan, until such transfer is completed.

S8.6 Allocation of Transferred Accounts. Funds transferred to the Trustee in respect of a Member's Consan Account shall be allocated under the Plan to such Member's Elective Subaccount.

S8.7 Investment of Transferred Assets. Funds transferred to the Trustee pursuant to Section S8.5 shall be invested in accordance with Section S8.8. Thereafter, a Member may change the portion of his Account that is invested in each Investment Fund in accordance with Article V of the Plan.

S8.8 Fund Mapping. The following fund mapping shall become effective upon the transfer pursuant to Section S8.5:

From the Consan Plan Funds	Into Investment Fund
Janus Fund	Fidelity Magellan
Acorn International	Fidelity Retirement Govt. Money Market
Fidelity Asset Manager	Fidelity Asset Manager
Fidelity Short Term Bond	Fidelity Intermediate Bond
General American Life Ins Contract.	Fidelity Retirement Govt. Money Market

S8.9 Credit Under the Plan for Service with Consan. Eligibility to participate, Hours of Service and Years of Service under the Plan shall be determined by taking into account employment with Consan prior to April 26, 1997 as if Consan had been an Affiliate for the period during which it maintained the Consan Plan, and any additional period credited for vesting purposes under the Consan Plan and not disregarded under the break in service rules under the Consan Plan or this Plan. Such employee shall be credited with (i) a number of Years of Service equal to the number of 1-year periods of service that was credited as of April 25, 1997 to him under the elapsed time method employed by the Consan Plan plus (ii) for any additional fractional part of the year credited to him as of April 25, 1997, a number of Hours of Service for the 1997 Plan Year equal to 190 Hours of Service for each month or part of a month during which such employee completes one Hour of Service, for the purposes of determining Years of Service to be credited to him and his eligibility to participate in accordance with Section 2.1 based on his employment with Consan.

S8.10 Alternative Forms of Payment Preserved to February 1, 2002. Any individual who is a Consan Member at the time of his termination of employment with an Employer or Affiliate, and any other Consan Member who is not employed by an Employer or Affiliate, who has vested Accounts exceeding $5,000 and who elects on the Appropriate Form to receive a distribution commencing as of a date on or before February 1, 2002 may on such form elect one of the following with respect to the amounts held in his Elective Subaccount:

(a) an annuity, which in the case of a married Member shall, except as provided below, be in the form of a "Joint and Fifty-Percent Survivor Annuity" (i.e., an annuity for the life of the Member with a survivor annuity for the life of his spouse which is fifty percent of the amount of the annuity payable during the joint lives of the Member and his spouse), and which in the case of an unmarried Member, or of a married Member who has waived the Joint and Fifty-Percent Survivor Annuity option with spousal consent in accordance with applicable regulations, shall be in the form of a straight-life annuity, in each case to be provided by the purchase of an annuity contract on a unisex basis;

(b) a series of installment payments made over a fixed period of time not exceeding the life expectancy of the Member; or

(c) a single sum payment.

S8.11 Withdrawals During Employment After Age 59-1/2. After attaining age 59-1/2, a Consan Member who is employed by an Employer or Affiliate may elect, no more frequently than once in any six-month period, to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Elective Subaccount (including investment earnings allocable thereto).

S8.12 Right to Elect to Defer Distributions Until Age 70-1/2. A Consan Member who hereunder may elect a distribution of his benefit amounts attributable to his Consan Account (including investment earnings allocable thereto) on account of a separation from service may elect to defer such distribution until he attains age 70-1/2.

S8.12.1 Consan Plan Amended. The provisions of this Supplement No. 8 shall be treated as an amendment to and a part of the Consan Plan to the extent necessary to give full effect to this Supplement. The provisions of this Plan, in its capacity as a continuation and amendment of the Consan Plan, shall apply and be effective with respect to the Consan Plan for periods prior to July 3, 2000 to the extent necessary for the Consan Plan to meet applicable requirements of all provisions of law that became effective since the last determination letter with respect to the Consan Plan, including, without limitation, the Uruguay Round Agreements Act (also referred to as GATT), the Uniformed Services Employment and Reemployment Rights Act, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the IRS Restructuring and Reform Act of 1998 and the Community Renewal Tax Relief Act of 2000, effective as of their respective effective dates; such Plan provisions include, without limitation, the following:

(a) Sections 1.13 and 1.44, relating to compensation being determined before giving effect to any salary reductions under section 132(f)(4) of the Code, effective January 1, 2001;

(b) Section 6.1.2, relating to earnings being determined for purposes of section 415 of the Code before giving effect to any salary reductions under section 132(f)(4) of the Code, effective January 1, 2001;

(c) Section 1.27, relating to the definition of highly compensated employee, effective January 1, 1997;

(d) Section 3.3.4, relating to the distributions of aggregate excess deferrals based on the amount of contribution by or on behalf of each highly compensated employee and attributable first to the highly compensated employee with the greatest dollar amount of elective deferrals, effective January 1, 1997;

(e) Section 3.14, relating to contributions in respect of periods of qualified military service as required under section 414(u) of the Code, effective December 12, 1994;

(f) Section 6.2, relating to the adjustment under section 415(d) of the Code of the $30,000 annual addition limitation under section 415(c)(1), effective January 1, 1995;

(g) Section 6.3, relating to limiting the application of section 415(e) of the Code to limitation years beginning before January 1, 2000;

(h) Section 8.15, relating to exclusion of hardship distributions from the definition of eligible rollover distribution in accordance with section 402(c)(4) of the Code, effective January 1, 1999;

(i) Section 13.4, relating to the repeal of the family aggregation rules, effective January 1, 1997; and

(j) Section 14.1, relating to the definition of "leased employee" as defined under section 414(n) of the Code, effective January 1, 1997.

SUPPLEMENT NO. 9

TO

ARROW ELECTRONICS SAVINGS PLAN

Special Provisions Applicable
to Employees of Richey Electronics, Inc.

Effective as of May 1, 1999, the Richey Electronics, Inc. Employee Retirement Plan (the "Richey Plan") merged into this Plan, and the terms of this Plan superseded the terms of the Richey Plan. This Supplement No. 9 provides for such merger ("Merger") and sets forth special provisions that apply to employees of Richey Electronics, Inc.

S9.1 Special Definitions. For purposes of this Supplement No. 9:

S9.1.1 "Elective Subaccount" means a subaccount within a Member's Elective Account to which elective deferrals made under the Richey Plan are transferred.

S9.1.2 "Matching Subaccount" means a subaccount within a Member's Matching Account to which matching contributions made under the Richey Plan are transferred.

S9.1.3 "Richey" means Richey Electronics, Inc.

S9.1.4 "Richey Account" means an account maintained under the Richey Plan immediately prior to the Merger containing elective deferrals, matching contributions, and rollover contributions (as applicable) for a Richey Member.

S9.1.5 "Richey Member" means a participant in the Richey Plan who had an undistributed account thereunder immediately prior to the Merger.

S9.1.6 "Richey Plan" means the Richey Electronics, Inc. Employee Retirement Plan as in effect prior to the Merger.

S9.1.7 "Rollover Subaccount" means a subaccount within a Member's Rollover Account to which rollover contributions made under the Richey Plan are transferred.

S9.1.8 "Richey Trust Fund" means the trust fund maintained under the Richey Plan immediately prior to the Merger.

S9.2 Richey Plan Superseded By This Plan. Richey maintained a program of making elective deferral contributions and related matching contributions through the Richey Plan. Effective January 8, 1999, the Company acquired Richey and its employees transferred to the employ of the Company. As of that date, the Company adopted the Richey Plan and through March 31, 1999 continued the Richey program of making elective deferral contributions and related matching contributions for Richey Members through the Richey Plan. Effective April 1, 1999, the Company transferred such program to this Plan, by making such contributions hereunder in lieu of contributions under the Richey Plan and by arranging for the merger of the Richey Plan with this Plan as soon as practicable thereafter.

S9.3 Merger. Effective May 1, 1999, the Richey Plan and the Richey Trust Fund are merged into this Plan, and the terms of this Plan supersede the terms of the Richey Plan. All persons (including current and former employees and their beneficiaries) having an interest under the Richey Plan prior to May 1, 1999 shall, on and after May 1, 1999, be entitled to benefits solely from the Plan (including this Supplement No. 9), in lieu of any and all interest which they had or may have had under the Richey Plan.

S9.4 Transfer of Richey Trust Fund. The assets held by the trustees of the Richey Trust Fund shall be transferred to the Trustee on May 1, 1999 or as soon as practicable thereafter. If and to the extent that such transfer is not completed on May 1, 1999, such trustees shall hold such assets as adjusted for investment gain or loss thereon and expenses attributable thereto, as an additional trustee under this Plan, until such transfer is completed.

S9.5 Allocation of Transferred Accounts. Funds transferred to the Trustee in respect of a Member's Richey Account shall be allocated under the Plan to such Member's Elective, Matching, and Rollover Subaccounts, as applicable.

S9.6 Investment of Transferred Assets. Funds transferred to the Trustee pursuant to Section S9.4 shall be invested in accordance with Section S9.7. Thereafter, a Member may change the portion of his Account that is invested in each Investment Fund in accordance with Article V of the Plan.

S9.7 Fund Mapping. The following fund mapping shall become effective upon the transfer pursuant to Section S9.4:

From the Following Richey Plan Funds	Into Investment Fund
Fidelity Fund	Fidelity Spartan U.S. Equity Index Fund
Fidelity Investment Grade Bond Fund	Fidelity Intermediate Bond Fund
Fidelity Retirement Growth Fund	Same fund
Fidelity Blue Chip Growth Fund	Fidelity Magellan
Fidelity Retirement Gov't Money Market	Same fund

S9.8 Credit Under the Plan for Service with Richey. Eligibility to participate, Hours of Service and Years of Service under the Plan shall be determined by taking into account employment with Richey prior to April 1, 1999 as if Richey had been an Affiliate for the period during which it maintained the Richey Plan, and any additional period credited for vesting purposes under the Richey Plan and not disregarded under the break in service rules under the Richey Plan or this Plan. The Committee may use and rely upon records maintained by Richey to compute Hours of Service in order to determine the Years of Service to be credited to such employee and his eligibility to participate in accordance with Section 2.1 based on his employment by Richey.

S9.9 Vesting of Matching Subaccounts. The Matching Subaccount of a Member employed by Richey shall be fully vested and nonforfeitable effective May 1, 1999.

S9.10 Alternative Forms of Payment Preserved to February 1, 2002. Any individual who is a Richey Member at the time of his termination of employment with an Employer or Affiliate, and any other Richey Member who is not employed by an Employer or

Affiliate, who has vested Accounts exceeding $5,000 and who elects on the Appropriate Form to receive a distribution commencing as of a date on or before February 1, 2002 may on such form elect one of the following with respect to the vested amounts held in his Elective, Matching, and Rollover Subaccounts:

(a) a series of installment payments made over a fixed period of time not exceeding the life expectancy of the Member; or

(b) a single sum payment.

S9.11 Withdrawals During Employment After Age 59-1/2. After attaining age 59-1/2, a Richey Member who is employed by an Employer or Affiliate may elect, no more frequently than once in any six-month period, to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Elective, Matching, and Rollover Subaccounts (including investment earnings allocable thereto).

S9.12 Richey Plan Amended. The provisions of this Supplement No. 9 shall be treated as an amendment to and a part of the Richey Plan to the extent necessary to give full effect to this Supplement. The provisions of this Plan, in its capacity as a continuation and amendment of the Richey Plan, shall apply and be effective with respect to the Richey Plan for periods prior to May 1, 1999 to the extent necessary for the Richey Plan to meet applicable requirements of all provisions of law that became effective since the last determination letter with respect to the Richey Plan, including, without limitation, the Uruguay Round Agreements Act (also referred to as GATT), the Uniformed Services Employment and Reemployment Rights Act, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the IRS Restructuring and Reform Act of 1998 and the Community Renewal Tax Relief Act of 2000, effective as of their respective effective dates; such Plan provisions include, without limitation, the following:

(a) Sections 1.13 and 1.44, relating to compensation being determined before giving effect to any salary reductions under sections 132(f)(4) of the Code, effective January 1, 2001;

(b) Section 6.1.2, relating to earnings being determined for purposes of section 415 of the Code before giving effect to any salary reductions under section 132(f)(4) of the Code, effective January 1, 2001;

(c) Section 1.27, relating to the definition of highly compensated employee, effective January 1, 1998;

(d) Section 3.14, relating to contributions in respect of periods of qualified military service as required under section 414(u) of the Code, effective December 12, 1994;

(e) Section 3.3.3, relating to the distributions of aggregate excess deferrals based on the amount of contribution by or on behalf of each highly compensated employee and attributable first to the highly compensated employee with the greatest dollar amount of elective deferrals, effective January 1, 1997;

(f) Section 6.2, relating to the adjustment under section 415(d) of the Code of the $30,000 annual addition limitation under section 415(c)(1) of the Code, effective January 1, 1995;

(g) Section 6.3, relating to limiting the application of section 415(e) of the Code to limitation years beginning before January 1, 2000;

(h) Section 8.15, relating to exclusion of hardship distributions from the definition of eligible rollover distribution in accordance with section 402(c)(4) of the Code, effective January 1, 1999;

(i) Section 13.4, relating to the repeal of the family aggregation rules, effective January 1, 1997; and

(j) Section 14.1, relating to the definition of "leased employee" as defined under section 414(n) of the Code, effective January 1, 1997;

provided, however, in determining the permitted actual deferral percentage and contribution percentage for highly compensated employees for plan years beginning on or after January 1, 1997 for periods prior to May 1, 1999, the applicable plan year for non-highly compensated employees shall be the immediately preceding plan year.

SUPPLEMENT TO

TO

ARROW ELECTRONICS SAVINGS PLAN

Special Provisions Applicable
to Employees of Scientific & Business Minicomputers, Inc .

Effective as of August 1, 2000, the Scientific & Business Minicomputers, Inc. 401(k) Profit Sharing Plan (the "SBM Plan") merged into this Plan, and the terms of this Plan superseded the terms of the SBM Plan. This Supplement No. 10 provides for such merger ("Merger") and sets forth special provisions that apply to employees of Scientific & Business Minicomputers, Inc. on or after its adoption of this Plan effective July 1, 1999.

S10.1 Special Definitions. For purposes of this Supplement No. 10:

S10.1.1 "Elective Subaccount" means a subaccount within a Member's Elective Account to which elective deferrals made under the SBM Plan are transferred.

S10.1.2 "Matching Subaccount" means a subaccount within a Member's Matching Account to which matching contributions made under the SBM Plan are transferred.

S10.1.3 "Rollover Subaccount" means a subaccount with a Member's Rollover Account to which rollover contributions made under the SBM Plan are transferred.

S10.1.4 "SBM" means Scientific & Business Minicomputers, Inc.

S10.1.5 "SBM Account" means an account maintained under the SBM Plan immediately prior to the Merger containing elective deferrals, matching contributions and rollover contributions (as applicable) for an SBM Member.

S10.1.6 "SBM Member" means a participant in the SBM Plan who had an undistributed account thereunder immediately prior to the Merger.

S10.1.7 "SBM Plan" means the Scientific & Business Minicomputers, Inc. 401(k) Profit Sharing Plan as in effect prior to the Merger.

S10.1.8 "SBM Trust Fund" means the trust fund maintained under the SBM Plan immediately prior to the Merger.

S10.2 Continuation of SBM Contributions Under This Plan . SBM maintained a program of making elective deferral contributions and related matching contributions through the SBM Plan through June 30, 1999, and effective July 1, 1999, transferred such program to this Plan by becoming an Employer under this Plan, making contributions herewith in lieu of contributions under the SBM Plan and arranging for the merger of the SBM Plan with this Plan as soon as practicable thereafter.

S10.3 Membership in Plan Effective July 1, 1999. Each SBM Member who is employed by an Employer on July 1, 1999 shall become a Member of the Plan on that date. Any other employee of SBM who is employed by an Employer on such date who then satisfies the minimum age and 90-day waiting period requirements of Section 2.1 (after giving effect to Section S10.9) shall become a Member on the first date that such employee receives Compensation from such Employer, which date shall constitute the Entry Date for such employee. Each SBM Member who is not then employed by an Employer shall become a Member on August 1, 2000, but solely with respect to his SBM Account unless he otherwise qualifies as Member under the Plan.

S10.4 Merger. Effective August 1, 2000, the SBM Plan and the SBM Trust Fund are merged into this Plan, and the terms of this Plan supersede the terms of the SBM Plan. All persons (including current and former employees and their beneficiaries) having an interest under the SBM Plan prior to August 1, 2000 shall, on and after August 1, 2000, be entitled to benefits solely from the Plan (including this Supplement No. 10), in lieu of any and all interest which they had or may have had under the SBM Plan.

S10.5 Transfer of SBM Trust Fund. The assets held by the trustees of the SBM Trust Fund shall be transferred to the Trustee on August 1, 2000 or as soon as practicable thereafter. If and to the extent that such transfer is not completed on August 1, 2000 such trustees shall hold such assets as adjusted for investment gain or loss thereon and expenses attributable thereto, as an additional trustee under this Plan, until such transfer is completed.

S10.6 Allocation of Transferred Accounts. Funds transferred to the Trustee in respect of a Member's SBM Account shall be allocated under the Plan to such Member's Elective, Matching, and Rollover Subaccounts, as applicable.

S10.7 Investment of Transferred Assets. Funds transferred to the Trustee pursuant to Section S10.5 shall be invested in accordance with Section S10.8. Thereafter, the Member may change the portion of his Account that is invested in each Investment Fund in accordance with Article V of the Plan.

S10.8 Fund Mapping. The following fund mapping shall become effective upon the transfer pursuant to Section S10.5:

From the Following SBM Plan Funds	Into Investment Fund
Guaranteed Certificate	Fidelity Retirement Gov't. Money Market
Short Term Fund I	Fidelity Retirement Govt. Money Market
Maxim Bond Index	Fidelity Intermediate Bond
Maxim Loomis Sayles Corp. Bond	Fidelity Intermediate Bond
Maxim US Govt. Mortgage Sec.	Fidelity Retirement Govt. Money Market
Maxim Global Bond	Fidelity Retirement Govt. Money Market
Maxim Money Market	Fidelity Retirement Govt. Money Market

Maxim Index European	Fidelity Retirement Govt. Money Market
Fidelity Advisor Overseas	Fidelity Retirement Govt. Money Market
Maxim Invesco ADR	Fidelity Retirement Govt. Money Market
Putnam Global Growth	Fidelity Retirement Govt. Money Market
AIM Charter	Fidelity Magellan
Orchard Index 500	Fidelity Spartan US Equity Index
Maxim Founder's Growth & Income	Fidelity Spartan US Equity Index
American Century Ultra	Fidelity Magellan
AIM Weingarten	Fidelity Retirement Growth
Maxim Growth Index	Fidelity Magellan
Fidelity Advisor Equity Income	Fidelity Equity Income
Fidelity Advisor Growth Opp.	Fidelity Magellan
Putnam Fund for Growth & Income	Fidelity Equity Income
Maxim Value Index	Fidelity Equity Income
AIM Constellation	Fidelity Retirement Growth
Maxim T. Rowe Price Mid-Cap Growth	Fidelity Retirement Growth
Profile Series I	Fidelity Magellan
Profile Series II	Fidelity Asset Management: Growth
Profile Series III	Fidelity Asset Management.
Profile Series IV	Fidelity Asset Management:
Profile Series V	Fidelity Asset Management: Income
Orchard Index 600	Fidelity Retirement Growth
Maxim Ariel Small-Cap Value	Fidelity Value
Maxim Loomis Sayles Small-Cap Value	Fidelity Value

S10.9 Credit Under the Plan for Service with SBM Eligibility to Participate . Eligibility to participate, Hours of Service and Years of Service under the Plan shall be determined by taking into account employment with SBM prior to July 1, 1999 as if SBM had been an Affiliate for the period during which it maintained the SBM Plan, and any additional period credited for vesting purposes under the SBM Plan and not disregarded under the break in service rules under the SBM Plan or this Plan. The Committee may use and rely upon records maintained by SBM to compute Hours of Service in order to determine Years of Service to be credited to such employee and his eligibility to participate in accordance with Section 2.1 based on his employment with SBM.

S10.10 Vesting of Matching Subaccount. The Matching Subaccount of a Member employed by SBM shall be fully vested and nonforfeitable effective August 1, 2000.

S10.11 Alternative Forms of Payment Preserved to February 1, 2002 . Any individual who is a SBM Member at the time of his termination of employment with an Employer or Affiliate, and any other SBM Member who is not employed by an Employer or Affiliate, who has vested Accounts exceeding $5,000 and who elects on the Appropriate Form to receive a distribution commencing as of a date on or before February 1, 2002 may on such form elect one of

the following with respect to the vested amounts held in his Elective, Matching, and Rollover Subaccounts:

(a) an annuity, which in the case of a married Member shall, except as provided below, be in the form of a "Joint and Fifty-Percent Survivor Annuity" (i.e., an annuity for the life of the Member with a survivor annuity for the life of his spouse which is fifty percent of the amount of the annuity payable during the joint lives of the Member and his spouse), and which in the case of an unmarried Member, or of a married Member who has waived the Joint and Fifty-Percent Survivor Annuity option with spousal consent in accordance with applicable regulations, shall be in the form of a straight-life annuity, in each case to be provided by the purchase of an annuity contract on a unisex basis;

(b) a series of installment payments made on a monthly, quarterly, or annual basis over a reasonable fixed period of time not exceeding the life expectancy of the Member; or

(c) a single sum payment.

S10.12 Withdrawals During Employment.

S10.12.1 Withdrawals During Employment Irrespective of Age. An SBM Member who is employed by an Employer or Affiliate may elect, no more frequently than once in any six-month period, to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Rollover Subaccount (including investment earnings allocable thereto).

S10.12.2 Withdrawals During Employment After Age 59-1/2. After attaining age 59-1/2, an SBM Member who is employed by an Employer or Affiliate may elect, no more frequently than once in any six-month period, to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Elective and Matching Subaccounts (including investment earnings allocable thereto).

S10.12.3 SBM Plan Amended. The provisions of this Supplement No. 10 shall be treated as an amendment to and a part of the SBM Plan to the extent necessary to give full effect to this Supplement. The provisions of this Plan, in its capacity as a continuation and amendment of the SBM Plan, shall apply and be effective with respect to the SBM Plan for periods prior to August 1, 2000 to the extent necessary for the SBM Plan to meet applicable requirements of all provisions of law that became effective since the last determination letter with respect to the SBM Plan, including, without limitation, the Uruguay Round Agreements Act (also referred to as GATT), the Uniformed Services Employment and Reemployment Rights Act, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the IRS Restructuring and Reform Act of 1998 and the Community Renewal Tax Relief Act of 2000, effective as of their respective effective dates; such Plan provisions include, without limitation, the following:

(a) Sections 1.13 and 1.44, relating to compensation being determined before giving effect to any salary reductions under section 132(f)(4) of the Code, effective January 1, 2001;

(b) Section 6.1.2, relating to earnings being determined for purposes of section 415 of the Code before giving effect to any salary reductions under section 132(f)(4) of the Code, effective January 1, 2001;

(c) Section 1.27, relating to the definition of highly compensated employee, effective January 1, 1997;

(d) Section 3.3.3, relating to the distributions of aggregate excess deferrals based on the amount of contribution by or on behalf of each highly compensated employee and attributable first to the highly compensated employee with the greatest dollar amount of elective deferrals, effective January 1, 1997;

(e) Section 3.14, relating to contributions in respect of periods of qualified military service as required under section 414(u) of the Code, effective December 12, 1994;

(f) Section 6.2, relating to the adjustment under section 415(d) of the Code of the $30,000 annual addition limitation under section 415(c)(1), effective January 1, 1995;

(g) Section 6.3, relating to limiting the application of section 415(e) of the Code to limitation years beginning before January 1, 2000;

(h) Section 8.15, relating to exclusion of hardship distributions from the definition of eligible rollover distribution in accordance with section 402(c)(4) of the Code, effective January 1, 1999;

(i) Section 13.4, relating to the repeal of the family aggregation rules, effective January 1, 1997; and

(j) Section 14.1, relating to the definition of “leased employee” as defined under section 414(n) of the Code, effective January 1, 1997.

SUPPLEMENT NO. 11

TO

ARROW ELECTRONICS SAVINGS PLAN

Special Provisions Applicable
to Employees of Support Net, Inc.

Effective as of April 1, 2000, the Support Net, Inc. 401(k) Plan (the "Support Net Plan") merged into this Plan, and the terms of this Plan superseded the terms of the Support Net Plan. This Supplement No. 11 provides for such merger ("Merger") and sets forth special provisions that apply to employees of Support Net, Inc. on and after its adoption of this Plan effective January 1, 2000.

S11.1 Special Definitions. For purposes of this Supplement No. 11:

S11.1.1 "Elective Subaccount" means a subaccount within a Member's Elective Account to which elective deferrals made under the Support Net Plan are transferred.

S11.1.2 "Matching Subaccount" means a subaccount within a Member's Matching Account to which matching contributions made under the Support Net Plan are transferred.

S11.1.3 "Rollover Subaccount" means a subaccount within a Member's Rollover Account to which rollover contributions made under the Support Net Plan are transferred.

S11.1.4 "Support Net" means Support Net, Inc.

S11.1.5 "Support Net Account" means an account maintained under the Support Net Plan immediately prior to the Merger containing elective deferrals, matching contributions and rollover contributions (as applicable) for a Support Net Member.

S11.1.6 "Support Net Member" means a participant in the Support Net Plan who had an undistributed account thereunder immediately prior to the Merger.

S11.1.7 "Support Net Plan" means the Support Net, Inc. 401(k) Plan as in effect prior to the Merger.

S11.1.8 "Support Net Trust Fund" means the trust fund maintained under the Support Net Plan immediately prior to the Merger.

S11.2 Continuation of Support Net Contributions Under This Plan. Support Net maintained a program of making elective deferral contributions and related matching contributions through the Support Net Plan through December 31, 1999, and effective January 1, 2000, transferred such program to this Plan by becoming an Employer under this Plan, making contributions herewith in lieu of contributions under the Support Net Plan and arranging for merger of the Support Net Plan with this Plan as soon as practicable thereafter.

S11.3 Membership in Plan Effective January 1, 2000. Each Support Net Member who is employed by an Employer on January 1, 2000 shall become a Member of the Plan on that date. Any other employee of Support Net who is employed by an Employer on such date who then satisfies the

minimum age and 90-day waiting period requirements of Section 2.1 (after giving effect to Section S11.9) shall become a Member on the first date that such employee receives Compensation from such Employer, which date shall constitute the Entry Date for such employee. Each Support Net Member who is not then employed by an Employer shall become a Member on April 1, 2000, but solely with respect to his Support Net Account unless he otherwise qualifies as a Member under the Plan.

S11.4 Merger. Effective April 1, 2000, the Support Net Plan and the Support Net Trust Fund are merged into this Plan and the trust thereunder, and the terms of this Plan supersede the terms of the Support Net Plan. All persons (including current and former employees and their beneficiaries) having an interest under the Support Net Plan immediately prior to April 1, 2000 shall, on and after April 1, 2000, be entitled to benefits solely from this Plan (including this Supplement No. 11), in lieu of any and all interest which they had or may have had under the Support Net Plan.

S11.5 Transfer of Support Net Trust Fund. The assets held by the trustees of the Support Net Trust Fund shall be transferred to the Trustee on April 1, 2000 or as soon as practicable thereafter. If and to the extent that such transfer is not completed on April 1, 2000, such trustees shall hold such assets as adjusted for investment gain or loss thereon and expenses attributable thereto, as an additional trustee under this Plan, until such transfer is completed.

S11.6 Allocation of Transferred Accounts. Funds transferred to the Trustee in respect of a Member's Support Net Account shall be allocated under the Plan to such Member's Elective, Matching, and Rollover Subaccounts, as applicable.

S11.7 Investment of Transferred Assets. Funds transferred to the Trustee pursuant to Section S11.5 shall be invested in accordance with Section S11.8. Thereafter, a Member may change the portion of his Account that is invested in each Investment Fund in accordance with Article V of the Plan.

S11.8 Fund Mapping. The following fund mapping shall take place upon the transfer pursuant to Section S11.5:

From the Support Net Plan Funds	Into Investment Fund
EuroPacific Growth	Fidelity Retirement Govt Money Market
The Growth Fund of America	Fidelity Retirement Growth
The Investment Co. of America	Fidelity Magellan Fund
Capital Income Builder	Fidelity Asset Manager Income
Cash Management Trust of America	Fidelity Retirement Govt. Money Market
Washington Mutual Investors	Fidelity Equity Income Fund
The Bond Fund of America	Fidelity Intermediate Bond Fund

S11.9 Credit Under the Plan for Service with Support Net. Eligibility to participate, Hours of Service and Years of Service under the Plan shall be determined by taking into account employment with Support Net prior to January 1, 2000 as if Support Net had been an Affiliate for the

period during which it maintained the Support Net Plan, and any additional period credited for vesting purposes under the Support Net Plan and not disregarded under the break in service rules under the Support Net Plan or this Plan. The Committee may use and rely upon records maintained by Support Net to compute Hours of Service in order to determine Years of Service to be credited to such employee and his eligibility to participate in accordance with Section 2.1 based on his employment with Support Net.

S11.10 Vesting of Matching Subaccount. The Matching Subaccount of a Member employed by Support Net shall be fully vested and nonforfeitable effective April 1, 2000.

S11.11 Withdrawals During Employment.

S11.11.1 Withdrawals During Employment Irrespective of Age. A Support Net Member who is employed by an Employer or Affiliate may elect, no more frequently than once in any six-month period, to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Rollover Subaccount (including investment earnings allocable thereto).

S11.11.2 Withdrawals During Employment After Age 59-1/2. After attaining age 59-1/2, a Support Net Member who is employed by an Employer or Affiliate may elect, no more frequently than once in any six-month period, to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Elective and Matching Subaccounts (including investment earnings allocable thereto).

S11.11.3 Support Net Plan Amended. The provisions of this Supplement No. 11 shall be treated as an amendment to and a part of the Support Net Plan to the extent necessary to give full effect to this Supplement. The provisions of this Plan, in its capacity as a continuation and amendment of the Support Net Plan, shall apply and be effective with respect to the Support Net Plan for periods prior to April 1, 2000 to the extent necessary for the Support Net Plan to meet applicable requirements of all provisions of law that became effective since the last determination letter with respect to the Support Net Plan, including, without limitation, the Uruguay Round Agreements Act (also referred to as GATT), the Uniformed Services Employment and Reemployment Rights Act, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the IRS Restructuring and Reform Act of 1998 and the Community Renewal Tax Relief Act of 2000, effective as of their respective effective dates; such Plan provisions include, without limitation, the following:

(a) Sections 1.13 and 1.44, relating to compensation being determined before giving effect to any salary reductions under section 132(f)(4) of the Code, effective January 1, 2001;

(b) Section 6.1.2, relating to earnings being determined for purposes of section 415 of the Code before giving effect to any salary reductions under section 132(f)(4) of the Code, effective January 1, 2001;

(c) Section 1.27, relating to the definition of highly compensated employee, effective January 1, 1997;

(d) Section 3.3.3, relating to the distributions of aggregate excess deferrals based on the amount of contribution by or on behalf of each highly compensated employee and attributable first to the highly compensated employee with the greatest dollar amount of elective deferrals, effective January 1, 1997;

(e) Section 3.14, relating to contributions in respect of periods of qualified military service as required under section 414(u) of the Code, effective December 12, 1994;

(f) Section 6.2, relating to the adjustment under section 415(d) of the Code of the $30,000 annual addition limitation under section 415(c)(1), effective January 1, 1995;

(g) Section 6.3, relating to limiting the application of section 415(e) of the Code to limitation years beginning before January 1, 2000;

(h) Section 8.15, relating to exclusion of hardship distributions from the definition of eligible rollover distribution in accordance with section 402(c)(4) of the Code, effective January 1, 1999;

(i) Section 13.4, relating to the repeal of the family aggregation rules, effective January 1, 1997; and

(j) Section 14.1, relating to the definition of "leased employee" as defined under section 414(n) of the Code, effective January 1, 1997;

provided, however, in determining the permitted actual deferral percentages and contribution percentages for highly compensated employees for plan years beginning on or after January 1, 1997 for periods prior to April 1, 2000, the applicable plan year for non-highly compensated employees shall be the immediately preceding plan year.

SUPPLEMENT NO. 12

TO

ARROW ELECTRONICS SAVINGS PLAN

Special Provisions Applicable
to Former Participants in the VEBA Electronics Inc. 401(k) Plan

Effective as of April 2, 2001, the VEBA Electronics Inc. 401(k) Plan (the "VEBA Plan") merged into this Plan, and the terms of this Plan superseded the terms of the VEBA Plan. This Supplement No. 12 provides for such merger ("Merger") and sets forth special provisions that apply to former participants in the VEBA Plan.

S12.1 Special Definitions. For purposes of this Supplement No. 12:

S12.1.1 "Elective Subaccount" means a subaccount within a Member's Elective Account to which elective deferrals made under the VEBA Plan are transferred.

S12.1.2 "Matching Subaccount" means a subaccount within a Member's Matching Account to which matching contributions made under the VEBA Plan are transferred.

S12.1.3 "Rollover Subaccount" means a subaccount with a Member's Rollover Account to which rollover contributions and after-tax contributions made under the VEBA Plan are transferred.

S12.1.4 "VEBA" means Atlas Business Services, VEBA Electronics, Inc., Atlas Systems, Wyle Electronics and Wyle Systems.

S12.1.5 "VEBA Account" means an account maintained under the VEBA Plan immediately prior to the Merger containing elective deferrals, matching contributions, rollover contributions and after-tax contributions (as applicable) for a VEBA Member.

S12.1.6 "VEBA Member" means a participant in the VEBA Plan who had an undistributed account thereunder immediately prior to the Merger.

S12.1.7 "VEBA Plan" means the VEBA Electronics Inc. 401(k) Plan as in effect prior to the Merger.

S12.1.8 "VEBA Trust Fund" means the trust fund maintained under the VEBA Plan immediately prior to the Merger.

S12.2 VEBA Plan Superseded By This Plan. VEBA maintained a program of making elective deferral contributions and related matching contributions through the VEBA Plan. The Company acquired VEBA effective January 16, 2000. During the period commencing on that date and through December 31, 2000, a number of VEBA employees transferred to the employ of the Company. The remainder of VEBA employees transferred to the employ of the Company effective January 1, 2001. As of January 16, 2000 and through December 31, 2000, the Company adopted the VEBA Plan with respect to those VEBA Members who transferred to its employ and continued the VEBA program of

making elective deferral contributions and related matching contributions for them through the VEBA Plan. Effective January 1, 2001, the Company adopted the VEBA Plan with respect to all VEBA Members and effective the same date transferred the above-described program of contributions to this Plan, by making such contributions hereunder in lieu of contributions under the VEBA Plan and by arranging for the merger of the VEBA Plan with this Plan as soon as practicable thereafter.

S12.3 Membership in Plan Effective January 1, 2001. Each VEBA Member who is employed by an Employer on January 1, 2001 shall become a Member of the Plan on that date. Any other employee of VEBA who is employed by an Employer on such date who then satisfies the minimum age and 90-day waiting period requirements of Section 2.1 (after giving effect to Section S12.9) shall become a Member on the first date that such employee receives Compensation from such Employer, which date shall constitute the Entry Date for such employee. Each VEBA Member who is not then employed by an Employer shall become a member on April 2, 2001, but solely with respect to his VEBA Account unless he otherwise qualifies as a Member under the Plan.

S12.4 Merger. Effective April 2, 2001, the VEBA Plan and the VEBA Trust Fund are merged into this Plan, and the terms of this Plan supersede the terms of the VEBA Plan. All persons (including current and former employees and their beneficiaries) having an interest under the VEBA Plan prior to April 2, 2001 shall, on and after April 2, 2001, be entitled to benefits solely from the Plan (including this Supplement No. 12), in lieu of any and all interest which they had or may have had under the VEBA Plan.

S12.5 Transfer of VEBA Trust Fund. The assets held by the trustees of the VEBA Trust Fund shall be transferred to the Trustee on April 2, 2001 or as soon as practicable thereafter. If and to the extent that such transfer is not completed on April 2, 2001 such trustees shall hold such assets as adjusted for investment gain or loss thereon and expenses attributable thereto, as an additional trustee under this Plan, until such transfer is completed.

S12.6 Allocation of Transferred Accounts. Funds transferred to the Trustee in respect of a Member's VEBA Account shall be allocated under the Plan to such Member's Elective, Matching, and Rollover Subaccounts, as applicable.

S12.7 Investment of Transferred Assets. Funds transferred to the Trustee pursuant to Section S12.5 shall be invested in accordance with Section S12.8. Thereafter, the Member may change the portion of his Account that is invested in each Investment Fund in accordance with Article V of the Plan.

S12.8 Fund Mapping. The following fund mapping shall become effective upon the transfer pursuant to Section S12.5:

From the Following VEBA Plan Funds	Into Plan Investment Funds
BT Investment Equity 500 Index	Spartan U.S. Equity Index
Dreyfus Premier Tech. Growth Fund	OTC Portfolio
GIC Account 1 - VEBA	Retirement Gov't M.M.
Mass Investors Growth Stock Fund	Magellan
Massachusetts Investors Trust	Magellan
MFS Bond Fund	Inter. Bond
MFS Capital Opportunities Fund	Magellan
MFS Emerging Growth Fund	OTC Portfolio
MFS Equity Income Fund	Equity Income
MFS Global Governments Fund	Retirement Gov't M.M.
MFS Global Growth Fund	Retirement Gov't M.M.
MFS Government Securities Fund	Inter. Bond
MFS High Income Fund	Retirement Gov't M.M.
MFS Institutional Fixed Fund	Retirement Gov't M.M.
MFS Midcap Growth Fund	OTC Portfolio
MFS Money Market Fund	Retirement Gov't M.M.
MFS New Discovery Fund	OTC Portfolio
MFS Research Fund	Magellan
MFS Total Return Fund	Asset Manager

S12.9 Credit Under the Plan for Service with VEBA. Eligibility to participate, Hours of Service and Years of Service under the Plan shall be determined by taking into account employment with VEBA prior to January 1, 2001 as if VEBA had been an Affiliate for the period during which it maintained the VEBA Plan, and any additional period credited for vesting purposes under the VEBA Plan and not disregarded under the break in service rules under the VEBA Plan or this Plan. The Committee may use and rely upon records maintained by VEBA to compute Hours of Service in order to determine Years of Service to be credited to such employee and his eligibility to participate in accordance with Section 2.1 based on his employment with VEBA.

S12.10 Vesting of Matching Subaccount. The Matching Subaccount of a Member employed by VEBA shall be fully vested and nonforfeitable effective April 2, 2001.

S12.11 Alternative Forms of Payment Preserved to February 1, 2002. Any individual who is a VEBA Member at the time of his termination of employment with an Employer or Affiliate, and any other VEBA Member who is not employed by an Employer or Affiliate, who was a participant in the Wyle Electronics Capital Accumulation Plan on or before June 30, 1996, who has vested Accounts exceeding $5,000 and who elects on the Appropriate Form to receive a distribution commencing as of a date on or before February 1, 2002 may on such form elect one of the following with respect to the vested amounts held in his Elective, Matching, and Rollover Subaccounts:

(a) an annuity, which in the case of a married Member shall, except as provided below, be in the form of a "Joint and Fifty-Percent Survivor Annuity" (i.e., an annuity for the life of the Member with a survivor annuity for the life of his spouse which is fifty percent of the amount of the

annuity payable during the joint lives of the Member and his spouse), and which in the case of an unmarried Member, or of a married Member who has waived the Joint and Fifty-Percent Survivor Annuity option with spousal consent in accordance with applicable regulations, shall be in the form of a straight-life annuity, in each case to be provided by the purchase of an annuity contract on a unisex basis;

(b) a series of installment payments over a reasonable fixed period of time not exceeding the life expectancy of the Member; or

(c) a single sum payment.

S12.12 Withdrawals During Employment.

S12.12.1 Withdrawals During Employment Irrespective of Age. A VEBA Member who is employed by an Employer or Affiliate may elect, no more frequently than once in any one-year period, to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Rollover Subaccount (including investment earnings allocable thereto).

S12.12.2 Withdrawals During Employment After Age 59-1/2. After attaining age 59-1/2, an VEBA Member who is employed by an Employer or Affiliate may elect, no more frequently than once in any one-year period, to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Elective and Matching Subaccounts (including investment earnings allocable thereto).

S12.12.3 VEBA Plan Amended. The provisions of this Supplement No. 12 shall be treated as an amendment to and a part of the VEBA Plan to the extent necessary to give full effect to this Supplement.

SUPPLEMENT NO. 13

TO

ARROW ELECTRONICS SAVINGS PLAN

Special provisions applicable to
Residents of the Commonwealth of Puerto Rico

S13.1 Purpose and Effect. This Supplement 13, effective as of May 13, 1991, is intended to comply with the requirements of the applicable provisions of the tax code of Puerto Rico, currently Section 1165(a) and (e) of the Puerto Rico Internal Revenue Code of 1994 (the “PRIRC”). The provisions of this Supplement 13 shall only apply to any resident of the Commonwealth of Puerto Rico (“Supplement 13 Participant”) who is employed by an Employer.

S13.2 Type of Plan. It is the intent of the Company that the Plan be a profit sharing plan as defined in Article 1165-1 of the Puerto Rico Income Tax Regulations and that it include a qualified cash or deferred arrangement pursuant to Section 1165(e) of PRIRC.

S13.3 Compensation. Compensation received from sources in Puerto Rico and which is excludable from the gross income of a Supplement 13 Member under Section 933 of the Code shall be considered Compensation under Section 1.13 of the Plan.

S13.4 Elective Contributions. A Supplement 13 Participant's Elective Contributions under the Plan may not in any event exceed the lesser of ten percent (10%) of the Supplement 13 Participant's Compensation or $7,500, as adjusted under PRIRC ($8,000 as of January 1, 1998).

S13.5 Average Deferral Percentage Limits. In addition to the limitations described in Section 3.3 of the Plan, the “average deferral percentage” (as defined in Section 3.3.2 of the Plan) for Highly Compensated Supplement 13 Participants (as defined below) for each Plan Year shall not exceed the limitations of Section 3.3 of the Plan applied by substituting the terms “Highly Compensated Supplement 13 Participants” and “Not Highly Compensated Supplement 13 Participants” for the terms “Highly Compensated Employees” and “not Highly Compensated Employees,” respectively.

S13.5.1 The average deferral percentage under this Section S13.5 shall be calculated without regard to the limitations of Section 401(a)(17) of the Code.

S13.5.2 For purposes of this Section S13.5, the term “Highly Compensated Supplement 13 Participant” means any Supplement 13 Member who is eligible to participate in the Plan and is more highly compensated than two-thirds of all other Supplement 13 Participants eligible to participate in the Plan and employed by the same Employer. Any other Supplement 13 Member is a “Not Highly Compensated Supplement 13 Participant.

S13.5.3 For purposes of this Section S13.5, if more than one plan providing a cash or deferred arrangement (within the meaning of Section 1165(e) of PRIRC) is maintained by the Employer or an Affiliate, the “average deferral percentage” (as defined in Section 3.3.2 of the Plan) of any Highly Compensated Supplement 13 Member who participates in more than one such plan or arrangement shall be determined as if all such arrangements were a single plan or arrangement.

S13.5.4 If two or more plans are aggregated for purposes of Sections 1165(a)(3) or 1165(a)(4) of PRIRC, such plans shall be aggregated for purposes of determining the "average deferral percentage" of Supplement 13 Participants as if all such plans were a single plan.

S13.6 Distribution of Puerto Rico Excess Contributions. Puerto Rico Excess Contributions shall be determined by reducing the amount of Elective Contributions (and the amounts taken into account as Elective Contributions) to be permitted on behalf of Highly Compensated Supplement 13 Participants in the order of the average deferral percentages, beginning with the highest of such percentages. To the extent permitted under applicable laws and regulations, Puerto Rico Excess Contributions for a Plan Year, plus any income or minus any loss allocable thereto, shall be distributed no later than the close of the following Plan Year. For purposes of this Section S13.6, the term "Puerto Rico Excess Contributions" means the Elective Contributions by Highly Compensated Supplement 13 Participants in excess of the limitations of Section 3.3 of the Plan, as modified by Section S13.5.

S13.7 Matching Contributions Only for Permissible Elective Contributions. To the extent permitted by applicable laws and regulations, no Matching Contributions shall be made with respect to Puerto Rico Excess Contributions distributable pursuant to Section S13.6 or Elective Contributions in excess of the limitations of Section S13.4.

S13.8 Contributions May Not Exceed Amount Deductible. In no event shall Employer contributions under Article III of the Plan for any taxable year exceed the maximum amount (including amounts carried forward) deductible for that taxable year under Section 1023(n) of PRIRC.

S13.9 Contributions Conditioned on Deductibility and Savings Plan Qualification. Each contribution by an Employer under Article III of the Plan is conditioned on the deductibility of such contribution under Section 1023(n) of PRIRC for the taxable year for which contributed, and on the initial qualification of the Plan under Section 1165(a) of PRIRC.

S13.10 Rollover Contributions. Contributions by a Supplement 13 Member under Section 3.6 of the Plan are limited to amounts distributed from an employee retirement plan that also qualifies under Section 1165(a) of PRIRC.

S13.11 Payment of Contributions. Contributions to the Plan by an Employer engaged in business in Puerto Rico shall be paid to the Trustee not later than the due date for filing its Puerto Rico Income Tax Return for the taxable year in which such payroll period falls, including any extension thereof.

S13.12 Use of Terms. All terms and provisions of the Plan shall apply to this Supplement 13, except that where the terms and provisions of the Plan and this Supplement 13 conflict, the terms and provisions of this Supplement 13 shall govern.

SUPPLEMENT NO. 14

TO

ARROW ELECTRONICS SAVINGS PLAN

Special Provisions Applicable to
Former Employees of Pioneer-Standard Electronics, Inc.

The following special provisions have been adopted in connection with the acquisition by the Company of substantially all of the assets of Pioneer-Standard's Industrial Electronics Division of Pioneer-Standard Electronics, Inc. ("Pioneer") and the resulting transfer of certain employees of Pioneer to the employ of the Company effective March 1, 2003.

S14.1 Date of Membership. In the case of a Pioneer employee who became an Eligible Employee as of March 1, 2003, in connection with the above-described acquisition (a "Pioneer Employee"):

(a) A Pioneer Employee who had been continuously employed at Pioneer for at least three months immediately prior to his transfer to the Company will become a Member effective March 1, 2003 if he is then age 21 or older, and otherwise on the first Entry Date on which he is at least age 21 (and remains an Eligible Employee).

(b) Any other Pioneer Employee who qualifies as a "Regular Employee" as defined in Section 2.1 will become a Member effective July 1, 2003 if he is then an Eligible Employee who is age 21 or older, and otherwise on the first Entry Date on which he is at least age 21 (and remains an Eligible Employee).

(c) A Pioneer Employee who is not described in paragraph (a) above and is not a Regular Employee shall be entitled to become a Member only upon satisfying the requirements of the second sentence of Section 2.1, applied without regard to his prior employment with Pioneer.

S14.2 Vesting. Years of Service for a Pioneer Employee described in paragraph (a) or (b) of Section S14.1 shall take into account his employment with Pioneer prior to March 1, 2003, as follows:

(a) The Pioneer Employee shall be credited with 190 Hours of Service for each of January and February of 2003 if he had any paid working hour with Pioneer in such month.

(b) A Pioneer Employee shall be credited with Years of Service for periods prior to January 1, 2003 equal to the number of full years of his most recent continuous period of employment with Pioneer prior to January 1, 2003 plus any fraction of such a year in excess of 6 months.

(c) A Pioneer Employee who was employed by the Company within 90 days prior to the commencement of employment with Pioneer shall be entitled to reinstatement of his Years of Service prior to such employment with Pioneer, whether or not such Years of Service would otherwise be disregarded under any break rule of the Plan.

S14.3 Pioneer Records. The Committee may use and rely upon records maintained by Pioneer and apply such conventions it deems necessary or desirable to determine Years of Service to be

credited to such Pioneer Employee and his eligibility to participate in accordance with Section 2.1 and this Supplement 14 based on his employment with Pioneer.

S14.4 Rollover to Plan of After-Tax Contributions. Notwithstanding Section 3.6 of the Plan, in connection with the above acquisition, Pioneer Employees may make Rollover Contributions to the Plan from the Retirement Plan of Pioneer-Standard Electronics Inc. that include after-tax employee contributions.

S14.5 Rollovers of Loans. A Pioneer Employee's Rollover Contribution may include a loan note if such note is transferred in a direct rollover to the Plan from the Retirement Plan of Pioneer-Standard Electronics Inc., subject to any rules adopted by the Committee to ensure that any such loan note has complied with the rules and regulations governing participant loans under Code section 4975 and ERISA section 408(b)(1). Any loan note rolled over to the Plan pursuant to this Section S14.5 shall be regarded as an outstanding loan for purposes of Section 7.3. For purposes of this section, the term “loan note” includes any legally enforceable obligation to repay a participant loan from another qualified plan.

SUPPLEMENT NO. 15

TO

ARROW ELECTRONICS SAVINGS PLAN

Special Provisions Applicable to Eligible Employees of RAD Technologies

Effective October 19, 2005, and without limiting the generality of Members' rights otherwise to make rollovers of eligible rollover distributions in accordance with Section 8.15, Members who are Eligible RAD Employees shall have the opportunity to transfer the assets in their respective Accounts, including any loan note therein, in a direct rollover to the RAD Technologies 401(k) Plan and Trust.

S15.1 Special Definitions. For purposes of this Supplement No. 15

S15.1.1 "Eligible RAD Employee" means a former employee of the Company who became an employee of RAD Technologies in connection with the sale of certain Company assets to RAD Technologies effective May 31, 2005.

S15.1.2 "RAD Plan" shall mean the RAD Technologies 401(k) Plan and Trust, as amended from time to time.

S15.1.3 "RAD Technologies" means RAD Technologies LLC.
A transfer of assets in connection with this Supplement 15 to the RAD Plan shall be made in accordance with such procedures as the Committee shall establish for the purpose in accordance with Sections 8.15 and 12.2.

SUPPLEMENT NO. 16

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable
to Former Employees of Alternative Data Technology, Inc.

Effective as of March 1, 2007, the Alternative Data Technology, Inc. Profit Sharing & 401(k) Plan (the "ADT Plan") shall merge into this Plan, and the terms of the Plan shall supersede the terms of the ADT Plan. This Supplement No. 16 provides for such merger ("Merger") and sets forth special provisions that apply to former employees of Alternative Data Technologies, Inc. ("ADT").

S16.1 Special Definitions. For purposes of this Supplement No. 16:

S16.1.1 "Elective Subaccount" means a subaccount within a Member's Elective Account to which elective deferrals made under the ADT Plan are transferred.

S16.1.2 "Rollover Subaccount" means a subaccount with a Member's Rollover Account to which rollover contributions made under the ADT Plan are transferred.

S16.1.3 "ADT" means Alternative Data Technology, Inc., a Colorado corporation acquired by the Company on November 30, 2006.

S16.1.4 "ADT Account" means an account maintained under the ADT Plan immediately prior to the Merger containing elective deferrals and rollover contributions, if any, for an ADT Member.

S16.1.5 "ADT Employee" means an individual who was employed by ADT on or before November 30, 2006 and was thereafter employed by an Employer.

S16.1.6 "ADT Member" means a participant in the ADT Plan who had an undistributed account thereunder immediately prior to the Merger.

S16.1.8 "ADT Plan" means the Alternative Data Technology, Inc. Profit Sharing & 401(k) Plan as in effect prior to the Merger.

S16.1.9 "ADT Trust Fund" means the trust fund maintained under the ADT Plan immediately prior to the Merger.

S16.2 Membership in Plan, Generally Effective January 1, 2007. Each ADT Employee who was employed by ADT on November 30, 2006 and was an Eligible Employee on January 1, 2007 shall become a Member of the Plan on that date without respect to the Plan's age and service requirements for participation. Each ADT Member who is not then employed by an Employer shall become a member on March 1, 2007, but solely with respect to his ADT Account unless he otherwise qualifies as a Member under the Plan.

S16.3 Merger. Effective March 1, 2007, the ADT Plan and the ADT Trust Fund are merged into this Plan and the trust fund thereunder, and the terms of this Plan supersede the terms of the

ADT Plan. All persons (including current and former employees and their beneficiaries) having an interest under the ADT Plan prior to March 1, 2007 shall, on and after March 1, 2007, be entitled to benefits solely from the Plan, including this Supplement No. 16, in lieu of any and all interest which they had or may have had under the ADT Plan.

S16.4 Transfer of ADT Trust Fund. The assets held by the trustees of the ADT Trust Fund shall be transferred to the Trustee on March 1, 2007 or as soon as practicable thereafter. If and to the extent that such transfer is not completed on March 1, 2007 such trustees shall hold such assets, as adjusted for investment gain or loss thereon and expenses attributable thereto, as an additional trustee under this Plan, until such transfer is completed.

S16.5 Allocation of Transferred Accounts. Funds transferred to the Trustee in respect of a Member's ADT Account shall be allocated under the Plan to such Member's Elective and Rollover Subaccounts, as applicable.

S16.6 Investment of Transferred Assets. Funds transferred to the Trustee pursuant to Section S16.4 shall be invested in accordance with Section S16.8. Thereafter, the Member may change the portion of his Account that is invested in each Investment Fund in accordance with Article V of the Plan.

S16.7 Fund Mapping. The following fund mapping shall become effective upon the transfer pursuant to Section S16.4:

From the Following ADT Plan Funds	Into Plan Investment Funds
SSgA Government Money Market	Fidelity Retirement Govt. MMKT
PIMCO Total Return Fund - Class A	Fidelity Intermediate Bond
DWS High Inc. Plus Fund - Class S	Fidelity Intermediate Bond
SSgA S&P 500 Index Fund	Fidelity Spartan US Equity Index Inv
SSgA Russell 2000 Index Strategy	Laudus Rosenberg U.S. Discovery Instl.
SSgA S&P MidCap 400 Index	Laudus Rosenberg U.s. Discovery Instl.
AllianceBenstein Growth and Inc -A	Fidelity Equity Income
DWS Large Cap Value Fund - A	Fidelity Equity Income
Allianz NFJ Small-Cap Value - A	Laudus Rosenberg U.S. Discovery Instl
DWS Small Cap Growth Fund - A	Laudus Rosenberg U.S. Discovery Instl
Neuberger Berman P'ners - Advisor	Cap Guardian
Oppenheimer Capital Apprec - A	Cap Guardian
Fidelity Advisor Equity Growth - T	T. Rowe Price
Franklin Rising Dividends	Fidelity Value
Alger MidCap Growth Inst'l - I	Laudus Rosenberg U.S. Discovery Instl.
Am. Century Intl. Growth - Advisor	JP Morgan Intl Equity S
Templeton Growth Inc - R	JP Morgan Intl Equity S
SSgA Life Solutions Inc. & Growth	Fidelity Freedom 2005
SSgA Life Sol. Balanced Growth	Fidelity Freedom 2015
SSgA Life Solutions Growth	Fidelity Freedom 2025

S16.8 Credit Under the Plan for Service with ADT. Effective on and after January1, 2007, and ADT Employees' eligibility to participate, Hours of Service and Years of Service under the Plan shall be determined by taking into account (a) employment with ADT prior to November 30, 2006 as if ADT had been an Affiliate for the period during which it maintained the ADT Plan, and (b) any additional period credited for vesting purposes under the ADT Plan and not disregarded under the break in service rules under the ADT Plan or this Plan. The Committee may use and rely upon records maintained by ADT to compute Hours of Service in order to determine Years of Service to be credited to such employee and his eligibility to participate in accordance with Section 2.1 based on his employment with ADT.

S16.9 Withdrawals During Employment.

S16.9.1 Withdrawals During Employment Irrespective of Age. An ADT Member who is employed by an Employer or Affiliate may elect to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Rollover Subaccount (if any) (including investment earnings allocable thereto) at any time.

S16.9.2 Withdrawals During Employment After Age 59-1/2. After attaining age 59-1/2, an ADT Member who is employed by an Employer or Affiliate may elect to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Elective and Rollover Subaccounts (including investment earnings allocable thereto) at any time.

S16.10 ADT Plan Amended. The provisions of this Supplement No. 16 shall be treated as an amendment to and a part of the ADT Plan to the extent necessary to give full effect to this Supplement.

SUPPLEMENT NO. 17

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable
to Former Employees of Keylink Systems

Effective as of April 1, 2007, Arrow Electronics, Inc., Arrow Electronics Canada LTD and Support Net, Inc. purchased certain assets of the Keylink Systems business unit from Agilysys, Inc. and Agilysys Canada Inc., pursuant to an asset purchase agreement dated January 2, 2007. This Supplement No. 17 sets forth special provisions that apply to certain employees of the Keylink Systems business unit who became employed by the Company or another Employer as a result of the above transaction.

S17.1 Special Definitions. For purposes of this Supplement No. 17:

S17.1.3 "Keylink" means the business unit acquired by the Company and its above referenced subsidiaries pursuant to an asset purchase on April 1, 2007.

S17.1.5 "Keylink Employee" means an individual who was employed by Keylink immediately prior to April 1, 2007, other than an employee employed by Agilysys Canada, and who became employed by an Employer or Affiliate on April 1, 2007.

S17.1.6 "Agilysys Member" means a Keylink Employee who is a participant in the Agilysys Plan with an undistributed account thereunder.

S17.1.8 "Agilysys Plan" means the Retirement Plan of Agilysys, Inc., a section 401(k) plan sponsored by Agilysys, Inc.

S17.2 Rollovers from the Agilysys Plan. Keylink Employees shall be eligible to roll over their accounts from the Agilysys Plan to the Plan on and after June 2, 2007.

S17.2.1 Allocation of Rollovers. Funds rolled over to the Trustee in respect of a Member's Agilysys Plan account shall be allocated under the Plan to such Member's Rollover Account.

S17.2.2 Rollovers of Loans. A Keylink Employee's Rollover Contribution may include a loan note if such note is transferred in a direct rollover to the Plan from the Agilysys Plan, subject to any rules adopted by the Committee to ensure that any such loan note has complied with the rules and regulations governing participant loans under Code section 4975 and ERISA section 408(b)(1). Any loan note rolled over to the Plan pursuant to this Section S17.2.2 shall be regarded as an outstanding loan for purposes of Section 7.3. For purposes of this section, the term "loan note" includes any legally enforceable obligation to repay a participant loan from another qualified plan.

S17.3 Waiver of Applicable Waiting Period - Credit Under the Plan for Service with Keylink. Effective on and after April 1, 2007, Keylink Employees shall be eligible to participate in the Plan without regard the applicable waiting period of Section 2.1. Hours of Service and Years of Service under the Plan for such Keylink Employees shall be determined by taking into account the most recent

period of employment with Keylink and its predecessors, based on dates of hire furnished by Agilysys, Inc. The Committee may use and rely upon records maintained by Agilysys, Inc., and may use such equivalencies as the Committee determines is appropriate, to compute Hours of Service in order to determine Years of Service to be credited to such employee based on his employment with Keylink.

SUPPLEMEMENT NO. 18

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable to
Former Employees of ACI Electronics, Inc.

The following special provisions have been adopted in connection with the acquisition by the Company of the operating assets of ACI Electronics, LLC, (“ACI”) and the resulting transfer of certain employees of ACI to the employ of the Company effective March 1, 2008.

S18.1 “ACI” means ACI Electronics, LLC, a Delaware limited liability company.

S18.2 Membership in Plan. Each individual who was employed by ACI on February 29, 2008 and was an Eligible Employee on March 1, 2008 (an “ACI Employee”) shall become a Member of the Plan on that date without respect to the Plan's age and service requirements for participation.

S18.3 Credit Under the Plan for Service with ACI. Effective on and after March 1, 2008, an ACI Employee's Hours of Service and Years of Service under the Plan shall be determined by taking into account employment with ACI prior to March 1, 2008 as if ACI had been an Affiliate prior to such date. The Committee may use and rely upon records maintained by ACI to compute Hours of Service in order to determine Years of Service to be credited to each ACI Employee.

SUPPLEMENT NO. 19

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable
to Former Employees of A.E. Petsche Company. Inc.

Effective as of May 3, 2010, the A. E. Petsche Co., Inc. 401(k) Profit Sharing Plan (the "Petsche Plan") shall merge into this Plan, and the terms of the Plan shall supersede the terms of the Petsche Plan. This Supplement No. 19 provides for such merger ("Merger") and sets forth special provisions that apply to certain current and former employees of A. E. Petsche Company, Inc. ("Petsche").

S19.1 Special Definitions. For purposes of this Supplement No. 19:

S19.1.1 "Elective Subaccount" means a subaccount within a Member's Elective Account to which elective deferrals made under the Petsche Plan are transferred.

S19.1.2 "Matching Subaccount" means a subaccount within a Members Account to which matching contributions made under the Petsche Plan are transferred.

S19.1.3 "Discretionary Subaccount" means a subaccount within a Members Account to which discretionary profit sharing contributions made under the Petsche Plan are transferred.

S19.1.4 "Rollover Subaccount" means a subaccount with a Member's Rollover Account to which rollover contributions made under the Petsche Plan are transferred.

S19.1.5 "Petsche" means A. E. Petsche Company, Inc., a Texas corporation acquired by the Company pursuant to a Stock Purchase Agreement dated as of November 16, 2009, and effected December 20, 2009.

S19.1.6 "Petsche Account" means an account maintained under the Petsche Plan immediately prior to the Merger containing elective deferrals, matching, discretionary, and rollover contributions, if any, for a Petsche Member.

S19.1.7 "Petsche Employee" means an individual who was employed by Petsche on or before December 20, 2009 and remained employed by an Employer as of March 6, 2010.

S19.1.8 "Petsche Member" means a participant in the Petsche Plan who had an undistributed account thereunder immediately prior to the Merger.

S19.1.9 "Petsche Plan" means the Petsche 401 (k) Plan as in effect prior to the Merger.

S19.1.10 "Petsche Trust Fund" means the trust fund maintained under the Petsche Plan immediately prior to the Merger.

S19.2 Membership in the Plan. Each Petsche Employee who was employed by Petsche on December 20, 2009 and was an Eligible Employee on March 6, 2010 shall become a Member of the

Plan on that date without respect to the Plan's service requirements for participation. The Plan's age requirement shall continue to apply. Each Petsche Member who is not then employed by an Employer shall become a member on or about May 3, 2010, but solely with respect to his Petsche Account unless he otherwise qualifies as a Member under the Plan.

S19.3 Merger. Effective on or about May 3, 2010, the Petsche Plan and the Petsche Trust Fund are merged into this Plan and the trust fund thereunder, and the terms of this Plan supersede the terms of the Petsche Plan. All persons (including current and former employees and their beneficiaries) having an interest under the Petsche Plan prior to the merger date shall, on and after the merger date, be entitled to benefits solely from the Plan, including this Supplement No. 19, in lieu of any and all interest which they had or may have had under the Petsche Plan.

S19.4 Transfer of Petsche Trust Fund. The assets held by the trustees of the Petsche Trust Fund shall be transferred to the Trustee on or about May 3, 2010 or as soon as practicable thereafter. If and to the extent that such transfer is not completed on May 3, 2010 such trustees shall hold such assets, as adjusted for investment gain or loss thereon and expense attributable thereto, as an additional trustee under this Plan, until such transfer is completed.

S19.5 Allocation of Transferred Accounts. Funds transferred to the Trustee in respect of a Member's Petsche Account shall be allocated under the Plan to such Member's Elective, Matching, Discretionary, and Rollover Subaccounts, as applicable.

S19.6 Investment of Transferred Assets. Funds transferred to the Trustee pursuant to Section S19.4 shall be invested in accordance with Section S19.7. Thereafter, the Member may change the portion of his Account that is invested in each Investment Fund in accordance with Article V of the Plan.

S19.7 Fund Mapping. The following fund mapping shall become effective upon the transfer pursuant to Section S19.4:

From the Following Petsche Plan Funds	Into Plan Investment Funds
Fidelity Cash Management Prime Fund: Daily Money Class	Vanguard Prime Money Market Fund
Fidelity Advisor Government Income Fund	Vanguard Total Bond Market Index Fund
Fidelity Advisor Strategic Income Fund	Vanguard Total Bond Market Index Fund
Janus Balance Fund	Vanguard Target Retirement Fund based on age of participant
Fidelity Advisor Freedom Income Fund	Vanguard Target Retirement Income Fund
Fidelity Advisor Freedom 2005 Fund	Vanguard Target Retirement 2005 Fund
Fidelity Advisor Freedom 2010 Fund	Vanguard Target Retirement 2010 Fund
Fidelity Advisor Freedom 2015 Fund	Vanguard Target Retirement 2015 Fund
Fidelity Advisor Freedom 2020 Fund	Vanguard Target Retirement 2020 Fund
Fidelity Advisor Freedom 2025 Fund	Vanguard Target Retirement 2025 Fund
Fidelity Advisor Freedom 2030 Fund	Vanguard Target Retirement 2030 Fund
Fidelity Advisor Freedom 2035 Fund	Vanguard Target Retirement 2035 Fund
Fidelity Advisor Freedom 2040 Fund	Vanguard Target Retirement 2040 Fund
Fidelity Advisor Freedom 2045 Fund	Vanguard Target Retirement 2045 Fund
Fidelity Advisor Freedom 2050 Fund	Vanguard Target Retirement 2050 Fund
Dreyfus S&P 500 Index Fund	Vanguard 500 Index Fund
Fidelity Advisor Growth & Income Fund	T. Rowe Price Blue Chip Growth Fund
Fidelity Advisor Equity Income Fund	Vanguard Windsor II Fund
Fidelity Advisor Equity Growth Fund	T. Rowe Price Blue Chip Growth Fund
Fidelity Advisor Strategic Growth Fund	T. Rowe Price Blue Chip Growth Fund
Fidelity Advisor Value Strategies Fund	Vanguard Extended Market Index Fund
Fidelity Advisor Mid Cap Fund	AXA Rosenberg US Small/Mid Cap Fund
Janus Overseas Fund	JP Morgan International Equity Fund
Janus Worldwide Fund	JP Morgan International Equity Fund

S19.8 Credit Under the Plan for Service with Petsche. Effective on and after March 6, 2010, a Petsche Employees' eligibility to participate, Hours of Service and Years of Service under the Plan shall be determined by taking into account (a) employment with Petsche for periods prior to December 20, 2010 as if Petsche had then been an Affiliate prior to such date, and (b) any additional period credited for vesting purposes under the Petsche Plan and not disregarded under the break in service rules under the Petsche Plan or this Plan. The Committee may use and rely upon records maintained by Petsche to compute Hours of Service in order to determine Years of Service to be credited to such employee and his eligibility to participate in accordance with Section 2.1 based on his employment with Petsche.

S19.9 Vesting Under the Plan for Matching and Discretionary Subaccounts. Funds in a Petsche Member's Matching Subaccount and Discretionary Subaccount will remain subject to the vesting schedule under the Petsche Plan which was in effect prior to the Merger.

S19.10 Withdrawals During Employment Irrespective of Age. A Petsche Member who is employed by an Employer or Affiliate may elect to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Rollover Subaccount (if any) (including investment earnings allocable

thereto) at any time. In addition, a Petsche Member who is employed by an Employer or Affiliate may elect to withdraw from the Plan an amount in cash equal to one-half (1/2) of the Vested Percentage of the balance of his Matching Subaccount. Such withdrawal is only available if the Petsche Member has at least 60 months of participation at the time the request is made, including participation under the former Petsche Plan.

S19.11 Grandfathered Disability Definition. A Petsche Member is Disabled with respect to his Elective Subaccount, Matching Subaccount, Discretionary Subaccount, and Rollover Subaccount if he or she is determined to be disabled by a physician approved by the Company.

S19.12 Petsche Plan Amended. The provisions of this Supplement No. 19 shall be treated as an amendment to and a part of the Petsche Plan to the extent necessary to give full effect to this Supplement.

SUPPLEMENT NO. 20

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable to
Current and Former Employees of Nu Horizons Electronics Corp.

Effective as of May 16, 2011 (the "Merger Date"), the Nu Horizons Electronics Corp. 401(k) Plan shall merge into this Plan, and the terms of the Plan shall supersede the terms of the Nu Horizons Plan. This Supplement No. 20 provides for such merger ("Plan Merger") and sets forth special provisions that apply to certain current and former employees of Nu Horizons Electronics Corp.

S20.1 Special Definitions. For purposes of this Supplement No. 20:

S20.1.1 "Elective Subaccount" means a subaccount within a Member's Elective Account to which elective deferrals made under the Nu Horizons Plan are transferred.

S20.1.2 "Matching Subaccount" means a subaccount within a Members Account to which matching contributions made under the Nu Horizons Plan are transferred.

S20.1.3 "Rollover Subaccount" means a subaccount within a Member's Rollover Account to which rollover contributions made under the Nu Horizons Plan are transferred.

S20.1.4 "Roth 401(k) Contributions" means amounts deferred under the Nu Horizons Plan prior to April 1, 2011 that were included in gross income at the time of deferral at the election of the Nu Horizons Member, pursuant to Code Section 402A.

S20.1.5 "Roth 401(k) Contributions Subaccount" means the subaccount within a Nu Horizon Member's Elective Subaccount which holds Roth 401(k) Contributions.

S20.1.6 "Nu Horizons" means Nu Horizons Electronics Corp, a Delaware corporation acquired by the Company pursuant to a Stock Purchase Agreement dated as of September 19, 2010, and effected January 3, 2011.

S20.1.7 "Nu Horizons Account" means an account maintained under the Nu Horizons Plan immediately prior to the Plan Merger containing elective deferrals, matching, and rollover contributions, if any, for a Nu Horizons Member.

S20.1.8 "Nu Horizons Member" means a participant in the Nu Horizons Plan who had an undistributed account thereunder immediately prior to the Plan Merger.

S20.1.9 "Nu Horizons Plan" means the Nu Horizons Electronics Corp. 401(k) Plan as in effect prior to the Plan Merger.

S20.1.10 "Nu Horizons Trust Fund" means the trust fund maintained under the Nu Horizons Plan immediately prior to the Plan Merger.

S20.2 Membership in the Plan. Each person who was employed by Nu Horizons and was an Eligible Employee on April 1, 2011 shall become a Member of the Plan, subject to the Plan's age and service requirements, taking into account past service with Nu Horizons in accordance with Section S20.8 hereof. Each Nu Horizons Member who was not an Eligible Employee on April 1, 2011 shall become a Member on the Merger Date, but solely with respect to amounts transferred to the Plan in respect of such person's Nu Horizons Account, unless he otherwise qualifies as a Member under the Plan.

S20.3 Plan Merger. Effective on the Merger Date, the Nu Horizons Plan and the Nu Horizons Trust Fund are merged into this Plan and the trust fund hereunder, and the terms of this Plan supersede the terms of the Nu Horizons Plan. All persons (including current and former employees and their beneficiaries) having an interest under the Nu Horizons Plan prior to the Merger Date shall, on and after the Merger Date, be entitled to benefits solely from the Plan, including this Supplement No. 20, in lieu of any and all interest which they had or may have had under the Nu Horizons Plan.

S20.4 Transfer of Nu Horizons Trust Fund. The assets held by the trustees of the Nu Horizons Trust Fund shall be transferred to the Trustee on or about the Merger Date.

S20.5 Allocation of Transferred Accounts. Funds transferred to the Trustee in respect of a Nu Horizon Member's Nu Horizons Account shall be allocated under the Plan to such Member's Elective Subaccount, Matching Subaccount, and Rollover Subaccount, as applicable.

S20.6 Investment of Transferred Assets. Funds transferred to the Trustee pursuant to Section S20.4 shall be invested in accordance with Section S20.7. Thereafter, the Member may change the portion of his Account that is invested in each Investment Fund in accordance with Article V of the Plan.

S20.7 Fund Mapping. The following fund mapping shall become effective upon the transfer pursuant to Section S20.4:

From the Following Nu Horizons Plan Funds	Into Plan Investment Funds
PIMCO Total Return Fund	Vanguard Total Bond Market Index Fund
Oppenheimer International Bond Fund	Vanguard Total Bond Market Index Fund
Fidelity Freedom Income Fund	Vanguard Target Retirement Income Fund
Fidelity Freedom 2005 Fund	Vanguard Target Retirement 2005 Fund
Fidelity Freedom 2010 Fund	Vanguard Target Retirement 2010 Fund
Fidelity Freedom 2015 Fund	Vanguard Target Retirement 2015 Fund
Fidelity Freedom 2020 Fund	Vanguard Target Retirement 2020 Fund
Fidelity Freedom 2025 Fund	Vanguard Target Retirement 2025 Fund
Fidelity Freedom 2030 Fund	Vanguard Target Retirement 2030 Fund
Fidelity Freedom 2035 Fund	Vanguard Target Retirement 2035 Fund
Fidelity Freedom 2040 Fund	Vanguard Target Retirement 2040 Fund
Fidelity Freedom 2045 Fund	Vanguard Target Retirement 2045 Fund
Fidelity Freedom 2050 Fund	Vanguard Target Retirement 2050 Fund
JP Morgan Equity Index Fund	Vanguard 500 Index Fund
American Century Equity Income Fund	Vanguard Windsor II Fund
Fidelity Advisor New Insights Fund	T. Rowe Price Blue Chip Growth Fund
JPM Highbridge Statistical Market Neutral Fund	Vanguard Prime Money Market Fund
BlackRock International Opportunity Fund	JP Morgan International Equity Fund
Fidelity Advisor Government Income Fund	Vanguard Total Bond Market Index Fund
Fidelity Advisor Industrials Fund	Vanguard 500 Index Fund
Fidelity Advisor International Discovery Fund	JP Morgan International Equity Fund
Fidelity Advisor Mid Cap II Fund	Eaton Vance Atlanta Capital SMID-Cap Fund
Fidelity Advisor Small Cap Fund	Eaton Vance Atlanta Capital SMID-Cap Fund
Fidelity Advisor Utilities Fund	Vanguard 500 Index Fund
Invesco Energy Fund	Vanguard 500 Index Fund
Invesco Global Health Care Fund	Vanguard 500 Index Fund
Invesco Van Kampen Small Cap Value Fund	Vanguard Extended Market Index Fund
Oppenheimer Developing Markets Fund	Vanguard Total International Stock Index Fund
Oppenheimer Gold & Special Minerals Fund	Vanguard 500 Index Fund
Oppenheimer Real Estate Fund	Vanguard 500 Index Fund
Perkins Mid Cap Value Fund	Vanguard Extended Market Index Fund
Fidelity Daily Money Market Fund	Vanguard Prime Money Market Fund

S20.8 Credit Under the Plan for Service with Nu Horizons. Effective on and after April 1, 2011, a Nu Horizons employee's eligibility to participate, Hours of Service and Years of Service under the Plan shall be determined by taking into account (a) employment with Nu Horizons for periods prior to January 3, 2011 as if Nu Horizons had then been an Employer prior to such date, and (b) any additional period credited for vesting purposes under the Nu Horizons Plan and not disregarded under the break in service rules under the Nu Horizons Plan or this Plan. The Committee may use and rely upon records maintained by Nu Horizons to compute Hours of Service in order to determine Years of Service to be

credited to such employee and his eligibility to participate in accordance with Section 2.1 of the Plan based on his employment with Nu Horizons.

S20.9 Vesting Under the Plan for Matching Subaccounts. Funds in a Nu Horizons Member's Matching Subaccount will remain subject to the vesting schedule under the Nu Horizons Plan which was in effect prior to the Plan Merger.

S20.10 Withdrawals During Employment. A Nu Horizons Member who is employed by an Employer or Affiliate may elect to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Rollover Subaccount (including investment earnings allocable thereto) at any time. A Nu Horizons Member who is employed by an Employer or Affiliate may elect to withdraw from the Plan all or any portion of any of his benefit amounts attributable to the vested percentage of the balance of his Elective Subaccount, and Matching Subaccount (if any) (including investment earnings allocable thereto) upon attainment of age 59-1/2.

S20.11 Grandfathered Disability Definition. A Nu Horizons Member is Disabled with respect to his Matching Subaccount if he or she either (i) satisfies the requirements for benefits under the company's long-term disability plan, (ii) satisfies the requirements for Social Security disability benefits, or (iii) is determined to be disabled by a physician approved by the Company; provided that such Nu Horizons Member shall not be considered disabled until he or she terminates employment with the Employer.

S20.12 Special Provisions Relating to Roth 401(k) Contributions.

S20.12.1. Accounting. Roth 401(k) Contributions shall be separately maintained in a Nu Horizons Member's Roth 401(k) Contribution Subaccount, and gains, losses and other credits or charges will be separately allocated on a reasonable and consistent basis thereto.

S20.12.2. Loans. Effective as of the Merger Date, loans shall not be permitted from a Nu Horizon Member's Roth 401(k) Contributions Subaccount, although amounts from such subaccount shall be aggregated with amounts in such Member's other Accounts in applying the maximum loan limitations under the Plan.

S20.12.3. Rollover Distributions. Notwithstanding Section 8.25 of the Plan, a direct rollover of a distribution from a Roth 401(k) Contribution Subaccount can only be made to another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c).

S20.12.4. Correction of Excess Contributions. The distribution of any excess contributions made with respect to the 2011 Plan Year shall first be made from elective deferrals other than a Nu Horizons Member's Roth 401(k) Contributions then from his Roth 401(k) Contributions.

S20.13 Nu Horizons Plan Amended. The provisions of this Supplement No. 20 shall be treated as an amendment to and a part of the Nu Horizons Plan to the extent necessary to give full effect to this Supplement.

SUPPLEMMENT NO. 21

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable to
Current and Former Employees of PCG Trading, LLC, d/b/a Converge

Effective as of May 16, 2011 (the "Merger Date"), the Converge 401(k) Savings Plan shall merge into this Plan, and the terms of the Plan shall supersede the terms of the Converge Plan. This Supplement No. 21 provides for such merger ("Plan Merger") and sets forth special provisions that apply to certain current and former employees of Converge.

S21.1 Special Definitions. For purposes of this Supplement No. 21:

S21.1.1 "Elective Subaccount" means a subaccount (or subaccounts) within a Member's Elective Account to which elective deferrals made under the Converge Plan are transferred.

S21.1.2 "Discretionary Subaccount" means a subaccount within a Member's Account to which discretionary profit sharing contributions made under the Converge Plan are transferred.

S21.1.3 "Matching Subaccount" means a subaccount within a Member's Account to which matching contributions made under the Converge Plan are transferred.

S21.1.4 "Rollover Subaccount" means a subaccount within a Member's Rollover Account to which rollover contributions made under the Converge Plan are transferred.

S21.1.5 "Roth 401(k) Contributions" means amounts deferred under the Converge Plan prior to April 2, 2011 that were included in gross income at the time of deferral at the election of the Converge Member, pursuant to Code Section 402A.

S21.1.6 "Roth 401(k) Contributions Subaccount" means the subaccount within a Converge Member's Elective Subaccount which holds Roth 401(k) Contributions.

S21.1.7 "Converge" means PCG Trading, LLC, d/b/a Converge, a Delaware limited liability company, acquired by the Company pursuant to a Stock Purchase Agreement dated as of April 5, 2010, and effected June 1, 2010.

S21.1.8 "Converge Account" means an account maintained under the Converge Plan immediately prior to the Plan Merger containing elective deferrals, discretionary, matching and rollover contributions, if any, for a Converge Member.

S21.1.9 "Converge Member" means a participant in the Converge Plan who had an undistributed account thereunder immediately prior to the Plan Merger.

S21.1.10 "Converge Plan" means the Converge 401(k) Savings Plan as in effect prior to the Plan Merger.

S21.1.11 "Converge Trust Fund" means the trust fund maintained under the Converge Plan immediately prior to the Plan Merger.

S21.2 Membership in the Plan. Each person who was employed by Converge and was an Eligible Employee on April 2, 2011 shall become a Member of the Plan, subject to the Plan's age and service requirements, taking into account past service with Converge in accordance with Section S21.8 hereof. Each Converge Member who was not an Eligible Employee on April 2, 2011 shall become a Member on the Merger Date, but solely with respect to amounts transferred to the Plan in respect of such person's Converge Account, unless he otherwise qualifies as a Member under the Plan.

S21.3 Plan Merger. Effective on the Merger Date, the Converge Plan and the Converge Trust Fund are merged into this Plan and the trust fund hereunder, and the terms of this Plan supersede the terms of the Converge Plan. All persons (including current and former employees and their beneficiaries) having an interest under the Converge Plan prior to the Merger Date shall, on and after the Merger Date, be entitled to benefits solely from the Plan, including this Supplement No. 21, in lieu of any and all interest which they had or may have had under the Converge Plan.

S21.4 Transfer of Converge Trust Fund. The assets held by the trustees of the Converge Trust Fund shall be transferred to the Trustee on or about the Merger Date.

S21.5 Allocation of Transferred Accounts. Funds transferred to the Trustee in respect of a Member's Converge Account shall be allocated under the Plan to such Member's Elective Subaccount, Discretionary Subaccount, Matching Subaccount and Rollover Subaccount, as applicable.

S21.6 Investment of Transferred Assets. Funds transferred to the Trustee pursuant to Section S21.4 shall be invested in accordance with Section S21.7. Thereafter, the Member may change the portion of his Account that is invested in each Investment Fund in accordance with Article V of the Plan.

S21.7 Fund Mapping. The following fund mapping shall become effective upon the transfer pursuant to Section S21.4:

From the Following Converge Plan Funds	Into Plan Investment Funds
Fidelity Retirement Money Market Trust	Vanguard Prime Money Market Fund
Fidelity Intermediate Bond Fund	Vanguard Total Bond Market Index Fund
PIMCO Total Return Fund	Vanguard Total Bond Market Index Fund
Fidelity Freedom Income Fund	Vanguard Target Retirement Income Fund
Fidelity Freedom 2000 Fund	Vanguard Target Retirement Income Fund
Fidelity Freedom 2005 Fund	Vanguard Target Retirement 2005 Fund
Fidelity Freedom 2010 Fund	Vanguard Target Retirement 2010 Fund
Fidelity Freedom 2015 Fund	Vanguard Target Retirement 2015 Fund
Fidelity Freedom 2020 Fund	Vanguard Target Retirement 2020 Fund
Fidelity Freedom 2025 Fund	Vanguard Target Retirement 2025 Fund
Fidelity Freedom 2030 Fund	Vanguard Target Retirement 2030 Fund
Fidelity Freedom 2035 Fund	Vanguard Target Retirement 2035 Fund
Fidelity Freedom 2040 Fund	Vanguard Target Retirement 2040 Fund
Fidelity Freedom 2045 Fund	Vanguard Target Retirement 2045 Fund
Fidelity Freedom 2050 Fund	Vanguard Target Retirement 2050 Fund
Fidelity Fund	Vanguard 500 Index Fund
Fidelity Spartan 500 Index Fund	Vanguard 500 Index Fund
Lord Abbett Mid-Cap Value Fund	Eaton Vance Atlanta Capital SMID-Cap Fund
Fidelity Contrafund	T. Rowe Price Blue Chip Growth Fund
Fidelity Growth Company Fund	T. Rowe Price Blue Chip Growth Fund
Fidelity OTC Portfolio	T. Rowe Price Blue Chip Growth Fund
Royce Low-Priced Stock Fund	Vanguard Extended Market Index Fund
RS Small Cap Growth Fund	Vanguard Extended Market Index Fund
Fidelity Equity-Income II Fund	Vanguard Windsor II Fund
Fidelity Diversified International Fund	JP Morgan International Equity Fund
Janus Worldwide Fund	JP Morgan International Equity Fund
Templeton World Fund	JP Morgan International Equity Fund

S21.8 Credit Under the Plan for Service with Converge. Effective on and after April 2, 2011, a Converge Employee's eligibility to participate, Hours of Service and Years of Service under the Plan shall be determined by taking into account (a) employment with Converge for periods prior to June 1, 2010 as if Converge had then been an Employer prior to such date, and (b) any additional period credited for vesting purposes under the Converge Plan and not disregarded under the break in service rules under the Converge Plan or this Plan. The Committee may use and rely upon records maintained by Converge to compute Hours of Service in order to determine Years of Service to be credited to such employee and his eligibility to participate in accordance with Section 2.1 of the Plan based on his employment with Converge.

S21.9 Vesting Under the Plan for Discretionary Subaccounts and Matching Subaccounts. Funds in a Converge Member's Discretionary Subaccount will remain subject to the vesting schedule under the Converge Plan which was in effect prior to the Plan Merger. Funds in a Converge Member's Matching Subaccount are fully vested.

S21.10 Withdrawals During Employment. A Converge Member who is employed by an Employer or an Affiliate may elect to withdraw from the Plan all or any portion of any of his benefit

amounts attributable to his Rollover Subaccount (including investment earnings allocable thereto) at any time. A Converge Member who is employed by an Employer or an Affiliate may elect to withdraw from the Plan all or any portion of any of his benefit amounts attributable to the vested percentage of the balance of his Elective Subaccount, Matching Subaccount (if any) and Discretionary Subaccount (if any) (including investment earnings allocable thereto) upon attainment of age 59-1/2.

S21.11 Grandfathered Disability Definition. A Converge Member is Disabled with respect to his Discretionary Subaccount if he or she satisfies the requirements for benefits under the company's long-term disability plan; provided that such Converge Member shall not be considered disabled until he or she terminates employment with the Employer.

S21.12 Special Provisions Relating to Roth 401(k) Contributions.

S21.12.1. Accounting. Roth 401(k) Contributions shall be separately maintained in a Converge Member's Roth 401(k) Contribution Subaccount, and gains, losses and other credits or charges will be separately allocated on a reasonable and consistent basis thereto.

S21.12.2. Loans. Effective as of the Merger Date, loans shall not be permitted from a Converge Member's Roth 401(k) Contributions Subaccount, although amounts from such subaccount shall be aggregated with amounts in such Member's other Accounts in applying the maximum loan limitations under the Plan.

S21.12.3. Rollover Distributions. Notwithstanding Section 8.25 of the Plan, a direct rollover of a distribution from a Roth 401(k) Contribution Subaccount can only be made to another Roth elective deferral account under an applicable retirement plan described in Code Section 402A(e)(1) or to a Roth IRA described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c).

S21.12.4. Correction of Excess Contributions. The distribution of any excess contributions made with respect to the 2011 Plan Year shall first be made from elective deferrals other than a Converge Member's Roth 401(k) Contributions then from his Roth 401(k) Contributions.

S21.13 Converge Plan Amended. The provisions of this Supplement No. 21 shall be treated as an amendment to and a part of the Converge Plan to the extent necessary to give full effect to this Supplement.

SUPPLEMENT NO. 22

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable
to Former Employees of Richardson Electronics, Ltd.

Effective as of March 1, 2011, the Company purchased certain assets of Richardson Electronics, Ltd., pursuant to an asset purchase agreement dated October 1, 2010. This Supplement No. 22 sets forth special provisions that apply to certain former employees of the Richardson Electronics, Ltd. who became employed by the Company or another Employer as a result of the such transaction.

S22.1 Special Definitions. For purposes of this Supplement No. 22:

S22.1.1 "Richardson" means the business unit acquired by the Company or its subsidiary pursuant to an asset purchase on March 1, 2011.

S22.1.2 "Richardson Employee" means an individual who was employed by Richardson immediately prior to March 1, 2011 who became employed by the Company or another Employer on such date.

S22.2 Date of Membership. Each Richardson Employee shall become a Member of the Plan, subject to the Plan's age and service requirements, taking into account past service with Richardson in accordance with Section S22.3 hereof, provided that no such employee shall become a Member of the Plan prior to March 4, 2011.

S22.3 Credit Under the Plan for Service with Richardson. Hours of Service and Years of Service under the Plan for Richardson Employees shall be determined by taking into account the most recent period of employment with Richardson and its predecessors, based on dates of hire furnished by Richardson. The Committee may use and rely upon records maintained by Richardson, and may use such equivalencies as the Committee determines is appropriate, to compute Hours of Service in order to determine Years of Service to be credited to such employee based on his employment with Richardson.

SUPPLEMENT NO. 23

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable
to Former Employees of Intechra Group LLC

Effective as of December 16, 2010, the Company purchased certain assets of Intechra Group LLC., and effective as of April 16, 2011, the Company purchased certain other assets of Intechra Group LLC, each pursuant to an asset purchase agreement dated November 22, 2010. This Supplement No. 23 sets forth special provisions that apply to certain former employees of Intechra Group LLC. who became employed by the Company or another Employer as a result of such transactions.

S23.1 Special Definitions. For purposes of this Supplement No. 23:

S23.1.1 "Intechra" means the business unit acquired by the Company or its subsidiary pursuant to an asset purchase on December 16, 2010.

S23.1.2 "Intechra Employee" means an individual who was employed by Intechra immediately prior to December 16, 2010 who became employed by the Company or another Employer on such date, or, as applicable, an individual who was employed by Intechra immediately prior to April 16, 2011 who became employed by the Company or another Employer on such date.

S23.2 Date of Membership. Each Intechra Employee shall become a Member of the Plan, subject to the Plan's age and service requirements, taking into account past service with Intechra in accordance with Section S23.3 hereof, provided that no such employee shall become a Member of the Plan prior to February 11, 2011.

S23.3 Credit Under the Plan for Service with Intechra. Hours of Service and Years of Service under the Plan for Intechra Employees shall be determined by taking into account the most recent period of employment with Intechra and its predecessors, based on dates of hire furnished by Intechra. The Committee may use and rely upon records maintained by Intechra., and may use such equivalencies as the Committee determines is appropriate, to compute Hours of Service in order to determine Years of Service to be credited to such employee based on his employment with Intechra.

SUPPLEMENT NO. 24

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable to
Employees of Transim Technology Corporation

Effective as of August 11, 2010, the Company acquired all of the issued and outstanding stock of Transim pursuant to a share purchase agreement dated August 11, 2010. The following sets forth special provisions that apply to certain employees of Transim.

S24.1 Special Definitions. For purposes of this Supplement No. 24:

S24.1.1 "Transim" means Transim Technology Corporation, a California company, acquired by the Company pursuant to a share purchase agreement dated as of August 11, 2010, and effected August 11, 2010.

S24.1.2 "Transim Employee" means an individual who was employed by Transim immediately prior to August 11, 2010 and who became employed by the Company or otherwise continued in employment with Transim immediately following such date.

S24.2 Membership in the Plan. Each Transim Employee shall become a Member of the Plan, subject to the Plan's age and service requirements, taking into account past service with Transim in accordance with Section S24.3 hereof, provided that no such employee shall become a Member prior to February 11, 2011.

S24.3 Credit Under the Plan for Service with Transim. Hours of Service and Years of Service under the Plan for Transim Employees shall be determined by taking into account the most recent period of employment with Transim and its predecessors, based on dates of hire furnished by Transim. The Committee may use and rely upon records maintained by Transim, and may use such equivalencies as the Committee determines is appropriate, to compute Hours of Service in order to determine Years of Service to be credited to such employee based on his employment with Transim.

SUPPLEMENT NO. 25

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable to
Employees of Dicopel Inc.

Effective as of January 1, 2011, all of the U.S.-based employees of Dicopel Inc. became employees of the Company. The following sets forth special provisions that apply to certain employees of Dicopel.

S25.1 Special Definitions. For purposes of this Supplement No. 25:

S25.1.1 "Dicopel" means Dicopel Inc.

S25.1.2 "Dicopel Employee" means an individual who was employed in the United States by Dicopel immediately prior to January 1, 2011 and who became employed by the Company immediately following such date.

S25.2 Membership in the Plan. Each Dicopel Employee shall become a Member of the Plan, subject to the Plan's age and service requirements, taking into account past service with Dicopel in accordance with Section S25.3 hereof, provided that no such employee shall become a Member prior to February 11, 2011.

S25.3 Credit Under the Plan for Service with Dicopel. Hours of Service and Years of Service under the Plan for Dicopel Employees shall be determined by taking into account employment with Dicopel and its predecessors, based on dates of hire furnished by Dicopel. The Committee may use and rely upon records maintained by Dicopel, and may use such equivalencies as the Committee determines is appropriate, to compute Hours of Service in order to determine Years of Service to be credited to such employee based on his employment with Dicopel.

SUPPLEMENT NO. 26

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable to
Employees of Eshel Technology Group, Inc.

Effective as of October 1, 2010, the Company acquired all of the issued and outstanding stock of ETG pursuant to a share purchase agreement dated October 1, 2010. The following sets forth special provisions that apply to certain employees of ETG.

S26.1 Special Definitions. For purposes of this Supplement No. 26:

S26.1.1 "ETG" means Eshel Technology Group, Inc., a California company, acquired by the Company pursuant to a share purchase agreement dated as of October 1, 2010, and effected October 1, 2010.

S26.1.2 "ETG Employee" means an individual who was employed by ETG immediately prior to October 1, 2010 and who became employed by the Company or otherwise continued in employment with ETG immediately following such date.

S26.2 Membership in the Plan. Each ETG Employee shall become a Member of the Plan, subject to the Plan's age and service requirements, taking into account past service with ETG in accordance with Section S26.3 hereof, provided that no such employee shall become a Member prior to February 11, 2011.

S26.3 Credit Under the Plan for Service with ETG. Hours of Service and Years of Service under the Plan for ETG Employees shall be determined by taking into account the most recent period of employment with ETG and its predecessors, based on dates of hire furnished by ETG. The Committee may use and rely upon records maintained by ETG, and may use such equivalencies as the Committee determines is appropriate, to compute Hours of Service in order to determine Years of Service to be credited to such employee based on his employment with ETG.

SUPPLEMENT NO. 27

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable
to Former Employees of InScope International, Inc.

Effective as of August 5, 2011, the Company purchased certain assets of InScope International, Inc., pursuant to an asset purchase agreement dated August 5, 2011. This Supplement No. 27 sets forth special provisions that apply to certain former employees of InScope who became employed by the Company or another Employer as a result of the such transaction.

S27.1 Special Definitions. For purposes of this Supplement No. 27:

S27.1.1 "InScope" means the business unit acquired by the Company or its subsidiary pursuant to an asset purchase on August 5, 2011.

S27.1.2 "InScope Employee" means an individual who was employed by InScope immediately prior to August 5, 2011 who became employed by the Company or another Employer on such date.

S27.2 Date of Membership. Each InScope Employee shall become a Member of the Plan, subject to the Plan's age and service requirements, taking into account past service with InScope in accordance with Section S27.3 hereof, provided that no such employee shall become a Member of the Plan prior to September 9, 2011.

S27.3 Credit Under the Plan for Service with InScope. Hours of Service and Years of Service under the Plan for InScope Employees shall be determined by taking into account the most recent period of employment with InScope and its predecessors, based on dates of hire furnished by InScope. The Committee may use and rely upon records maintained by InScope, and may use such equivalencies as the Committee determines is appropriate, to compute Hours of Service in order to determine Years of Service to be credited to such employee based on his employment with InScope.

SUPPLEMENT NO. 28

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable to
Employees of Verical, Incorporated

Effective as of April 5, 2010, the Company acquired all of the issued and outstanding stock of Verical pursuant to a merger agreement dated as of April 5, 2010. The following sets forth special provisions that apply to certain employees of Verical.

S28.1 Special Definitions. For purposes of this Supplement No. 28:

S28.1.1 "Verical" means Verical, Incorporated, a Delaware company, acquired by the Company pursuant to a merger agreement dated as of April 5, 2010, and effected as of April 5, 2010.

S28.1.2 "Verical Employee" means an individual who was employed by Verical immediately prior to April 5, 2010 and who became employed by the Company or otherwise continued in employment with Verical immediately following such date.

S28.2 Membership in the Plan. Each Verical Employee shall become a Member of the Plan, subject to the Plan's age and service requirements, taking into account past service with Verical in accordance with Section S28.3 hereof, provided that no such employee shall become a Member prior to June 16, 2010.

S28.3 Credit Under the Plan for Service with Verical. Hours of Service and Years of Service under the Plan for Verical Employees shall be determined by taking into account the most recent period of employment with Verical and its predecessors, based on dates of hire furnished by Verical. The Committee may use and rely upon records maintained by Verical, and may use such equivalencies as the Committee determines is appropriate, to compute Hours of Service in order to determine Years of Service to be credited to such employee based on his employment with Verical.

SUPPLEMENT NO. 29

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable to
Current and Former Employees of Shared Technologies Inc.

Effective as of February 2, 2012 (the "Merger Date"), the Shared Technologies. 401(k) Plan (the "Shared Technologies Plan") shall merge into this Plan, and the terms of the Plan shall supersede the terms of the Shared Technologies Plan. This Supplement No. 29 provides for such merger ("Plan Merger") and sets forth special provisions that apply to certain current and former employees of Shared Technologies Inc.

S29.1 Special Definitions. For purposes of this Supplement No. 29:

S29.1.1 "Elective Subaccount" means a subaccount within a Member's Elective Account to which elective deferrals made under the Shared Technologies Plan are transferred.

S29.1.2 "Discretionary Subaccount" means a subaccount within a Member's Account to which discretionary profit sharing contributions made under the Shared Technologies Plan are transferred.

S29.1.3 "Matching Subaccount" means a subaccount within a Members Account to which matching contributions made under the Shared Technologies Plan are transferred.

S29.1.3 "Rollover Subaccount" means a subaccount within a Member's Rollover Account to which rollover contributions made under the Shared Technologies Plan are transferred.

S29.1.6 "Shared Technologies" means Shared Technologies Inc., a Delaware corporation acquired by the Company pursuant to an Agreement and Plan of Merger dated as of August 5, 2010, and effected September 8, 2010.

S29.1.7 "Shared Technologies Account" means an account maintained under the Shared Technologies Plan immediately prior to the Merger Date containing elective deferrals, discretionary, matching, and rollover contributions, if any, for a Shared Technologies Member.

S29.1.8 "Shared Technologies Member" means a participant in the Shared Technologies Plan who had an undistributed account thereunder immediately prior to the Plan Merger.

S29.1.9 "Shared Technologies Plan" means the Shared Technologies 401(k) Plan as in effect prior to the Plan Merger.

S29.1.10 "Shared Technologies Trust Fund" means the trust fund maintained under the Shared Technologies Plan immediately prior to the Plan Merger.

S29.2 Membership in the Plan. Each person who was employed by Shared Technologies or Cross Telecom Corporation ("Cross Telecom") and was an Eligible Employee on January 1, 2012 shall

become a Member of the Plan, subject to the Plan's age and service requirements, taking into account past service credited under the Shared Technologies Plan in accordance with Section S29.8 hereof. Each Shared Technologies Member who was not an Eligible Employee on January 1 2012 shall become a Member on the Merger Date, but solely with respect to amounts transferred to the Plan in respect of such person's Shared Technologies Account, unless he otherwise qualifies as a Member under the Plan.

S29.3 Plan Merger. Effective on the Merger Date, the Shared Technologies Plan and the Shared Technologies Trust Fund are merged into this Plan and the trust fund hereunder, and the terms of this Plan supersede the terms of the Shared Technologies Plan. All persons (including current and former employees and their beneficiaries) having an interest under the Shared Technologies Plan prior to the Merger Date shall, on and after the Merger Date, be entitled to benefits solely from the Plan, including this Supplement No. 29, in lieu of any and all interest which they had or may have had under the Shared Technologies Plan.

S29.4 Transfer of Shared Technologies Trust Fund. The assets held by the trustees of the Shared Technologies Trust Fund shall be transferred to the Trustee on or about the Merger Date.

S29.5 Allocation of Transferred Accounts. Funds transferred to the Trustee in respect of a Shared Technologies Member's Shared Technologies Account shall be allocated under the Plan to such Member's Elective Subaccount, Discretionary Subaccount, Matching Subaccount, and Rollover Subaccount, as applicable.

S29.6 Investment of Transferred Assets. Funds transferred to the Trustee pursuant to Section S29.4 shall be invested in accordance with Section S29.7. Thereafter, the Member may change the portion of his Account that is invested in each Investment Fund in accordance with Article V of the Plan.

S29.7 Fund Mapping. The following fund mapping shall become effective upon the transfer pursuant to Section S29.4:

From the Following Shared Technologies Plan Funds	Into Plan Investment Funds
Invesco Stable Value Fund	Vanguard Retirement Savings Trust
Merrill Lynch's Goal Manager Portfolios	Age appropriate Vanguard Target Retirement Fund
Mutual Global Discover A Fund	Vanguard Total International Stock Index Fund
Sentinel Government Securities A Fund	Vanguard Total Bond Market Index Fund
PIMCO Total Return Fund A	Vanguard Total Bond Market Index Fund
BlackRock S&P 500 Index Instl Fund	Vanguard 500 Index Fund
Invesco Diversified Dividend A Fund	Vanguard Windsor II Fund
JP Morgan Large Cap Growth A Fund	T. Rowe Price Blue Chip Growth Fund Retail Class
ASTON/Fairpointe Mid Cap N Fund	Vanguard Extended Market Index Fund
AllianceBern Small-Mid Cap Value A Fund	Vanguard Extended Market Index Fund
BlackRock US Opportunities Inv. A Fund	Vanguard Extended Market Index Fund
Allianz NFJ Small Cap Value A Fund	Vanguard Extended Market Index Fund
Columbia Seligman Global Technology A Fund	Vanguard 500 Index Fund
Thornburg International Value A Fund	Vanguard Total International Stock Index Fund

S29.8 Credit Under the Plan for Service with Shared Technologies and Cross Telecom. Effective on and after January 1, 2012, in determining a Shared Technologies or Cross Telecom

employee's eligibility to participate, Hours of Service and Years of Service under the Plan, (a) service credit for any period of service credited to him as of the Merger Date for comparable purposes under the Shared Technologies Plan shall be into account and (b) any additional period credited for vesting purposes under the Shared Technologies Plan and not disregarded under the break in service rules under the Shared Technologies Plan or this Plan. The Committee may use and rely upon records maintained by Shared Technologies to compute Hours of Service in order to determine Years of Service to be credited to such employee and his eligibility to participate in accordance with Section 2.1 of the Plan.

S29.9 Vesting Under the Plan for Matching and Discretionary Subaccounts. Funds in a Shared Technologies Member's Matching Subaccount and Discretionary Subaccount will remain subject to the vesting schedule under the Shared Technologies Plan which was in effect prior to the Plan Merger.

S29.10 Withdrawals During Employment. A Shared Technologies Member who is employed by an Employer or Affiliate may elect to withdraw from the Plan all or any portion of any of his benefit amounts attributable to his Rollover Subaccount (including investment earnings allocable thereto) at any time. A Shared Technologies Member who is employed by an Employer or Affiliate may elect to withdraw from the Plan all or any portion of any of his benefit amounts attributable to the vested percentage of the balance of his Elective Subaccount, Discretionary Subaccount, Rollover Subaccount and Matching Subaccount (if any) (including investment earnings allocable thereto) upon attainment of age 59-1/2.

S29.11 Grandfathered Disability Definition. A Shared Technologies Member is Disabled with respect to his Matching Subaccount and Discretionary Subaccount if he or she is determined to be unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.

S29.12 Shared Technologies Plan Amended. The provisions of this Supplement No. 29 shall be treated as an amendment to and a part of the Shared Technologies Plan to the extent necessary to give full effect to this Supplement.

SUPPLEMENT NO. 30

TO

ARROW ELECTRONICS
SAVINGS PLAN

Special Provisions Applicable to
Employees of SiliconExpert Technologies, Inc.

Effective as of March 21, 2012, the Company acquired all of the issued and outstanding stock of SiliconExpert Technologies, Inc. pursuant to a share purchase agreement dated as of March 21, 2012. The following sets forth special provisions that apply to certain employees of SiliconExpert Technologies, Inc.

S30.1 Special Definitions. For purposes of this Supplement No. 30:

S30.1.1 "SilconExpert" means SilconExpert Technologies, Inc. a California company, acquired by the Company pursuant to a stock purchase agreement dated as of March 21, 2012, and effected as of such date.

S30.1.2 "SiliconExpert Employee" means an individual who was employed by SiliconExpert immediately prior to March 21, 2012 and who became employed by the Company or otherwise continued in employment with SiliconExpert immediately following such date.

S30.2 Membership in the Plan. Each SiliconExpert Employee shall become a Member of the Plan, subject to the Plan's age and service requirements, taking into account past service with SiliconExpert in accordance with Section S30.3 hereof, provided that no such employee shall become a Member prior to May 1, 2012.

S30.3 Credit Under the Plan for Service with SiliconExpert. Hours of Service and Years of Service under the Plan for SiliconExpert Employees shall be determined by taking into account the most recent period of employment with SiliconExpert and its predecessors, based on dates of hire furnished by SiliconExpert. The Committee may use and rely upon records maintained by SiliconExpert, and may use such equivalencies as the Committee determines is appropriate, to compute Hours of Service in order to determine Years of Service to be credited to such employee based on his employment with SiliconExpert.

Exhibit 10(c)(i)

AMENDMENT NO. 4

TO THE

ARROW ELECTRONICS STOCK OWNERSHIP PLAN

As Amended and Restated through September 9, 2009

The Arrow Electronics Stock Ownership Plan, as amended and restated through September 9, 2009 (the "Plan"), is hereby amended, effective December 31, 2012, in the following respects:

1. The Introduction of the Plan is revised by adding the following thereto:

"Effective December 31, 2012, the Plan shall be frozen so that no Employees shall be permitted to become Plan Members or recommence active Membership and no further contributions shall be made on behalf of Plan Members."

2. Section 2.1 is revised by adding the following thereto:

"Notwithstanding any provision in the Plan to the contrary, no Employee shall be permitted to become a Member or recommence active Membership after December 31, 2012."

3. Section 3.1 is revised by adding the following thereto:

"Effective December 31, 2012, the Plan shall be frozen and no further contributions shall be made to the Plan. "

4. Section 4.3 is revised by adding the following thereto:

"Notwithstanding anything in the Plan to the contrary, effective December 31, 2012, forfeitures shall not be allocated to the Accounts of Members."

5. Section 4.10.2 is revised by adding the following thereto:

"Notwithstanding the foregoing, each Member who is an Employee on December 31, 2012 or who terminated employment with an Employer with an Account balance and has incurred less than five consecutive One-Year Breaks in Service on December 31, 2012 shall be fully vested in the value of his Accounts."

6. Section 4.11 is revised to read as follows:

"4.11 Diversification of Investments.

4.11.1 Election by Member. A Member may direct the Plan to diversify the investment of all or any portion of his Accounts that is invested in Common Stock at any time.

The election to diversify his Account under this Section 4.11 and rules applicable thereto shall also apply to an alternate payee described in Section 9.5 and to a Beneficiary of a deceased Member. A Member's election under this Section 4.11 shall be subject to such uniform conditions and procedures established by the Committee.

4.11.2 Transfer of Account. Whenever a Member makes an election pursuant to this Section 4.11, the Committee shall, within 90 days after the Committee receives such election, sell the number of shares for which diversification has been elected and directly transfer the proceeds, net of brokerage fees, to the Member's rollover contributions account in the Arrow Electronics Savings Plan. In lieu of such a sale, the Committee may credit the Member with cash derived from dividends in an amount equal to the value of such shares, and apply the cash to the Arrow Electronics Savings Plan as though it were sale proceeds. If the Member has no account under the Arrow Electronics Savings Plan, an account under such plan shall be opened for him prior to the transfer from this Plan.

7. Section 6.3.3 is revised to read as follows:

6.3.3 Application of Forfeitures. Effective January 1, 2012, all forfeitures, whether pursuant to the foregoing provisions of this Section 6.3 or otherwise, shall be applied (i) to pay administrative expenses of the Plan that the Company does not elect to pay in lieu of payment by the Plan (including reasonable administrative expenses incurred or authorized by the Committee under Section 10.3), and/or (ii) to reduce future employer contributions under the Plan, including, without limitation, any reinstatement of previously forfeited amounts.”

Exhibit 10(d)(ii)

Arrow Electronics, Inc.
Non-Qualified Stock Option Award Agreement

Grantee: _____________

Grant Date: _____________

Number of Shares Covered by this Option: _____________

Exercise Price Per Share: _____________

Expiration Date: _____________

THIS NON-QUALIFIED STOCK OPTION AWARD AGREEMENT (the "Agreement") dated as of ___________ is between Arrow Electronics, Inc., a New York corporation (the "Company" or "Arrow") and ___________ (the "Grantee" or "you"). In consideration of mutual promises and covenants made in this Agreement and the mutual benefits to be derived from this Agreement, the Company and Grantee agree as follows:

Subject to the provisions of this Agreement and the provisions of the Arrow Electronics, Inc. 2004 Omnibus Incentive Plan (the "Plan"), the Company hereby grants to the Grantee the number of non-qualified stock options shown above (the "Options") as of ____________ (the "Grant Date") at the stated exercise price per share, which is 100% of the fair market value of a shares on the Grant Date. Except as expressly provided below, the term of this option begins as of the Grant Date and continues through the earlier of (a) 90 days following your termination of employment or (b) the expiration date stated above. Capitalized terms used and not defined in this Agreement have the meanings given to them in the Plan.

1. Vesting Generally. Subject to the provisions of Sections 2 through 5 of this Agreement, twenty-five percent (25%) of the Options will vest and become exercisable on each of the first four anniversaries of the Grant Date, but only if Grantee remains employed by Arrow (or one of its subsidiaries or affiliates) on the applicable anniversary. Your Option will continue to vest and any vested portion will remain exercisable during its term while you are on military leave of absence (as defined in the then current applicable Arrow Employee Handbook). Upon your exercise, each vested Option shall be settled by delivery of one share of Common Stock. Any fractional Options shall be rounded to the nearest whole number.

2. Vesting following Retirement. Upon your Retirement from Arrow, any unvested portion of the Options will continue to vest under the same schedule as set forth under Section 1 hereof; provided that you do not engage or become interested in any Competing Business during such remaining vesting period (whether as an owner, partner, director, employee, consultant or otherwise), in which case any unvested portion of the Option will be forfeited. The vested options will remain exercisable until the earlier of (a) the seventh anniversary of the your termination or (b) the Expiration Date.

3. Vesting following Certain Terminations. Upon your termination of employment from Arrow under circumstances which entitle you to receive severance payments from Arrow in the form of salary continuation, any unvested portion of the Options will continue to vest under the same schedule as set forth under Section 1 hereof, for the period you are receiving Severance Payments; provided that you do not engage or become interested in any Competing Business during such remaining vesting period (whether as an owner, partner, director, employee, consultant or otherwise), in which case any unvested portion of the Option will be forfeited and no payment or delivery of shares will be made therefor.

4. Death or Disability. Upon your termination of employment from Arrow by reason of death or Disability, any unvested part of the Options will vest immediately. The entire option will remain exercisable until the Expiration Date.

5. Termination of Employment following a Change of Control. Any unvested portion of the Option will vest immediately upon the termination of your employment by Arrow without Cause, or by you for Good Reason, in either such case occurring within two (2) years after a Change of Control of Arrow. The entire option will remain exercisable until the Expiration Date.

If your employment ends for any reason (other than as described in Section 2 through 5 above) before your Options fully vest, the unvested portion of the Options will be forfeited and there will be no payment or delivery of shares to you related to such forfeited Options.

The terms "Cause," "Change of Control," "Competing Business," "Disability," "Good Reason," and "Retirement," as used in this Agreement are defined in Section 12 below.

6. Exercise. You (or your representative, upon your death) may exercise any vested portion of this Option at any time during its term by given written notice to Arrow's stock administrator and making payment to Arrow in an amount equal to the per share exercise price times the number of share you wish to exercise, plus applicable taxes.

7. Transferability. Except as otherwise determined by the Committee, Options granted under this Agreement are not transferable by Grantee, whether voluntary or involuntary, by operation of law or otherwise, during the Term, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Options made, or attachment, execution, garnishment, or lien issued against or placed upon the Options, shall be void.

8. Administration. This Agreement and the rights of the Grantee hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon Grantee. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan. You can only accept and receive the award by indicating your acceptance of the terms and conditions set forth in this Agreement. By accepting this Agreement, you accept and agree to all of its terms. If you do not accept this Agreement your award will be forfeited.

9. Personal Data. To comply with applicable law and to administer the Plan and the terms and conditions of this Agreement, the Company and its agents may hold and process your personal data and/or sensitive personal data. Such data includes, but is not limited to, the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you, and information about your participation in the Plan obtained under the Plan from time to time. By accepting the Options, you hereby give your explicit consent to the Company's processing any such personal data and/or sensitive personal data, and you also hereby give your explicit consent to the Company's transfer of any such personal data and/or sensitive personal data outside the country in which you work or reside and to the United States. The legal persons for whom your personal data is intended include the Company and any of its subsidiaries, the outside Plan administrator as selected by the Company from time to time, and any other person that the Company may find in its administration of the Plan to be appropriate. You have the right to review and correct your personal data by contacting your local Human Resources Representative. By accepting the Options, you understand and acknowledge that the transfer of the information outlined here is important to the administration of the Plan, and that failure to consent to the transmission of such information may limit or prohibit your participation in the Plan.

10. No Contract of Employment**.** By accepting the Options, you agree to be bound by these terms and conditions and acknowledge that Options are granted at the sole discretion of the Committee and is not considered part of any contract of employment with the Company or your ordinary or expected salary or other compensation, and that the Options will not be considered as part of such salary or compensation for purposes of any pension benefits or in the event of severance, redundancy or resignation. If your employment with the Company or a subsidiary is terminated for any reason, whether lawfully or unlawfully, you acknowledge and agree that you will not be entitled by way of damages for breach of contract, dismissal or compensation for loss of office or otherwise to any sum, shares or other benefits to compensate you for the loss or diminution in value of any actual or prospective rights, benefits or expectation under or in relation to the Plan.

11. No Right to Future Awards. This award of Options shall not entitle Grantee to receive any future Options or any other awards under the Plan.

12. Definitions. For purposes of this Agreement, the following terms will have the meanings set forth below:

"Cause" means that the Committee, in its sole discretion, determined that you: (i) intentionally failed to perform your duties for Arrow and that failure continues after you receive written warning concerning your failure to perform (this does not mean a mere failure to attain financial goals); (ii) engaged in illegal conduct or gross misconduct which is significantly and demonstrably injurious to Arrow; or (iii) violated any provision of Arrow's Worldwide Code of Business Conduct and Ethics or of any other written agreement you may have with Arrow.

"Competing Business" means any business, which, directly or indirectly, provides the same or substantially similar products or services as those provided by the organization, business units or groups for which you worked or had responsibility during your tenure at Arrow or any of its subsidiaries or affiliates.

"Committee" means the Compensation Committee of Arrow's Board of Directors or a designated subcommittee thereof.

"Change of Control" means the occurrence of either of the following events: (a) any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 30 percent or more of the total voting power of the stock of the Company, or (b) a majority of the members of the Company's Board of Directors is replaced during a 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board of Directors before the date of the appointment or election, in each case interpreted in accordance with Section 409A of the Internal Revenue Code of 1986, as amended and applicable Treasury regulations ("409A").

"Disability" means Grantee is considered "disabled" within the meaning of Section 409A(a)(2)(C) of the Code and the regulations thereunder, or, with respect to Grantee who is not subject to United States income tax as may otherwise be determined or construed by the Committee.

"Good Reason" means the occurrence of any of the following changes to your employment, provided that Arrow does not rescind such changes within thirty days following your written request: (i) a material adverse diminution in your duties and responsibilities; (ii) your base salary is materially reduced, other than in connection with a region-wide or company-wide pay cut/furlough program; or (iii) a material change in the geographic location of your principal place of business of more than fifty (50) miles from your current location. For the avoidance of doubt, a mere change in titled and/or reporting relationship shall not be grounds for a claim of "Good Reason." You will have "Good Reason" to terminate your employment only if such action is taken during the two year period following a Change of Control.

"Retirement" means your retirement under a retirement plan of Arrow, or one of its subsidiaries or affiliates, at or after your normal retirement age or, with the written consent of the Committee, at an early retirement date.

13. Tax Withholding. Arrow shall have the right to deduct or withhold (including, without limitation, by reduction of the number of shares of Common Stock subject to the Options), or require Grantee to remit to Arrow, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation or be withheld with respect to any taxable event arising as a result of this Agreement.

14. Section 409A Compliance. Notwithstanding the foregoing provisions of this agreement, if any award payable hereunder in connection with your termination of employment is subject to Section 409A of the Code as deferred compensation (and does not qualify for the "short term deferral" or any other exemption under applicable Treasury regulations) and you are a "specified employee" within the meaning of Section 409A of the Code, payment of such award, or delivery of shares, will be delayed for six (6) months following your termination date if necessary to comply with Section 409A of the Code. In no event whatsoever shall Arrow be liable for any additional tax, interest or penalties that may be imposed on Grantee by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

The parties have entered into this Agreement as of the date first written above by signing where indicated below.

Arrow Electronics, Inc.

By:

Peter S. Brown
SVP and General Counsel

____
PARTICIPANT NAME

Exhibit 10(d)(iii)

Arrow Electronics, Inc.
Performance Stock Unit Award Agreement

THIS AGREEMENT, effective _____________ contains the terms of the grant of Performance Stock Units by Arrow Electronics, Inc., a New York Corporation (the "Company" or "Arrow"), to _____________ (the "Grantee" or "you") under the Arrow Electronics, Inc. 2004 Omnibus Incentive Plan (the "Plan"). The parties agree as follows:

1. General Grant Information. You have received the following grant of Performance Stock Units:

Target Number of Performance Stock Units: _____________ The number of shares of Arrow stock ("Shares") ultimately earned, if any, for the Performance Stock Units will be determined based on the tables below and subject to the limitations set forth in this Agreement.

Date of Grant: _____________

Start of Performance Cycle: _____________

End of Performance Cycle: _____________

Performance Measures:

Performance Stock Units Earned: The number of Performance Stock Units earned will be based on the actual results achieved by Arrow through the Performance Cycle as determined by the Compensation Committee of Arrow's Board of Directors or a designated subcommittee thereof (the "Committee"). The target number of performance units may increase to a maximum of 175% or decrease down to zero, with a 25% cut-in. Calculations will be based on a combination of two factors:

1. **Arrow 3-year Earnings Per Share (EPS) % growth ranked against 3-year EPS % growth of 8 peer companies.** The comparison of _____ EPS vs. _____ EPS will determine a payout percentage according to the following grid:

Rank	Payout %
1	160%
2	140%
3	120%
4	110%
5	100%
6	90%
7	60%
8	20%
9	0%

2. **Arrow's three-year average Return on Invested Capital (ROIC) versus Arrow's three-year Weighted Average Cost of Capital (WACC).** An adjustment factor determined according to the following grid will be added to or subtracted from the EPS % growth payout percentage:

Avg. ROIC Minus Avg. WACC	Adjustment Factor (+/-)
3.0% or more	15%
2.0% to 2.9%	10%
0.6% to 1.9%	5%
0.5% to -0.5%	0%
-0.6% to -1.9%	-5%
-2.0% to -2.9%	-10%
-3.0% or less	-15%

As indicated in the above tables, no Performance Stock Units will be earned if Arrow's EPS % growth rank is 9 or EPS rank is 8 and Arrow's 3-year average Return on Invested Capital versus Arrow's 3-year - Weighted Average Cost of Capital is .5% or less.

The adjusted payout percentage will be applied to participants' Performance Stock Unit targets to determine the number of Performance Stock Units paid.

The Compensation Committee will reserve the right to adjust plan payout percentages up or down based on its evaluation of Arrow's performance against key strategic peers.

Performance units will be subject to three-year cliff vesting, and will be delivered according to the terms of the plan as soon as practicable following the conclusion of the 3-year performance period and approval of Arrow's Compensation Committee.

2. Vesting Period. Subject to the provisions of Sections 2 through 4 of this Agreement, one hundred percent (100%) of the Performance Stock Units will vest and become non-forfeitable on the date the Shares are issued to you, but only if the Grantee is remains employed by Arrow (or one of its subsidiaries or affiliates) on that date. This Performance Stock Unit will continue to vest during any military leave of absence (as that term is defined in the then current applicable Arrow Employee Handbook).

3. Settlement of Award. Within 30 days of the Committee's approval, Arrow will issue to you one share of Arrow common stock for each Performance Stock Unit earned by you, as determined in accordance with Section 1 above and subject to Sections 3 and 4 below. Any fractional Shares will be rounded to the nearest whole Share. Arrow will not have a right of first refusal with respect to Shares earned by you under this Agreement. Delivery of Shares within the applicable grace periods permitted by Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) shall be deemed made on the scheduled delivery date.

4. Eligibility for Earned Performance Stock Units. Except for the specific situations addressed below (in this Section 4), you must be employed by Arrow on the date of delivery of the Shares (or if Shares are delivered within the 30-day grace period preceding such date, on the date of such delivery) to earn Performance Stock Units or be eligible for any payment under this Agreement.

Retirement. Upon your Retirement from Arrow during the Performance Cycle, you will be deemed to be eligible for settlement of this award, and your shares will be delivered at the same time, as if you were employed on the settlement date in accordance with Section 2; provided that you do not engage or become interested in any Competing Business during the remaining vesting period (whether as an owner, partner, director, employee, consultant or otherwise), in which case any unvested portion of the Performance Stock Unit will be forfeited and no payment or delivery of shares will be made therefor.

Death or Disability. Upon your termination of employment from Arrow by reason of death or Disability, your shares will be delivered 30 days after your death or your becoming disabled, subject to the following: if you die or become disabled before the end of the Performance Cycle, you or your estate will receive the Target Number of Performance Stock Units, but if you die or become disabled after the end of the Performance Cycle, you or your estate will receive the number of Performance Stock Units you would have received in accordance with Section 1.

Change of Control. Upon the termination of your employment by Arrow without Cause, or by you for Good Reason, in either case occurring within two (2) years after a Change of Control of Arrow prior to the settlement date under Section 2, you will be deemed to have earned and will be issued within 30 days after such termination the amount determined by the Committee to be payable under Section 1 of this Agreement or, if such amount has not yet been determined at the time of your termination of employment, the Target Number of Performance Stock Units.

If your employment ends for any reason (other than described in this Section 4) before the settlement of this award, this award will be forfeited and there will be no payment or delivery of shares to you related to such forfeited Performance Stock Units.

The terms "Cause," "Change of Control," "Competing Business," "Disability," "Good Reason," and "Retirement," as used in this Agreement are defined in Section 12 below.

5. Rights of Shareholder. The Grantee shall not be entitled to any voting rights or other rights or privileges of ownership of shares of Common Stock with respect to the Performance Stock Units unless and until the Committee has determined the number of Shares earned under this Performance Stock Unit Award Agreement, and such earned shares of Common Stock are actually delivered to the grantee pursuant to the Agreement.

6. Dividends. In the event that dividends are paid, the Grantee will accrue as of the date each such dividend is paid, all dividends and other distributions paid with respect to the Shares of this Performance Stock Unit. Any such dividends and other distributions shall be paid 30 days after the Shares to which they relate vest. Payment of dividends within the applicable grace periods permitted by Section 409A of the Internal Revenue Code of 1986, as amended, shall be deemed made on the scheduled payment date.

7. Transferability. Except as otherwise determined by the Committee, Performance Stock Units granted under this Agreement are not transferable by Grantee, whether voluntary or involuntary, by operation of law or otherwise, during the Restriction Period, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Performance Stock Units made, or attachment, execution, garnishment, or lien issued against or placed upon the Performance Stock Units, shall be void.

8. Administration. This Agreement and the rights of the Grantee hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon Grantee. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan. You can only accept and receive the award by indicating your acceptance of the terms and conditions set forth in this Agreement. By accepting this Agreement, you accept and agree to all of its terms. If you do not accept this Agreement your award will be forfeited.

9. Personal Data. To comply with applicable law and to administer the Plan and the terms and conditions of this Agreement, the Company and its agents may hold and process your personal data and/or sensitive personal data. Such data includes, but is not limited to, the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you, and information about your participation in the Plan obtained under the Plan from time to time. By accepting the Performance Stock Units, you hereby give your explicit consent to the Company's processing any such personal data and/or sensitive personal data, and you also hereby give your explicit consent to the Company's transfer of any such personal data and/or sensitive personal data outside the country in which you work or reside and to the United States. The legal persons for whom your personal data is intended include the Company and any of its subsidiaries, the outside Plan administrator as selected by the Company from time to time, and any other person that the Company may find in its administration of the Plan to be appropriate. You have the right to review and correct your personal data by contacting your local Human Resources Representative. By accepting the Performance Stock Units, you understand and acknowledge that the transfer of the information outlined here is important to the administration of the Plan, and that failure to consent to the transmission of such information may limit or prohibit your participation in the Plan.

10. No Contract of Employment. By accepting the Performance Stock Units, you agree to be bound by these terms and conditions and acknowledge that Performance Stock Units are granted at the sole discretion of the Committee and is not considered part of any contract of employment with the Company or your ordinary or expected salary or other compensation, and that the Performance Stock Units will not be considered as part of such salary or compensation for purposes of any pension benefits or in the event of severance, redundancy or resignation. If your employment with the Company or a subsidiary is terminated for any reason, whether lawfully or unlawfully, you acknowledge and agree that you will not be entitled by way of damages for breach of contract, dismissal or compensation for loss of office or otherwise to any sum, shares or other benefits to compensate you for the loss or diminution in value of any actual or prospective rights, benefits or expectation under or in relation to the Plan.

11. No Right to Future Awards. This award of Performance Stock Units shall not entitle Grantee to receive any future Performance Stock Units or any other awards under the Plan.

12. Definitions. For purposes of this Agreement, the following terms will have the meanings set forth below:

"Cause" means that the Committee, in its sole discretion, determined that you: (i) intentionally failed to perform your duties for Arrow and that failure continues after you receive written warning concerning your failure to perform (this does not mean a mere failure to attain financial goals); (ii) engaged in illegal conduct or gross misconduct which is significantly and demonstrably injurious to Arrow; or (iii) violated any provision of Arrow's Worldwide Code of Business Conduct and Ethics or of any other written agreement you may have with Arrow.

"Competing Business" means any business, which, directly or indirectly, provides the same or substantially similar products or services as those provided by the organization, business units or groups for which you worked or had responsibility during your tenure at Arrow or any of its subsidiaries or affiliates.

"Committee" means the Compensation Committee of Arrow's Board of Directors or a designated subcommittee thereof.

"Change of Control" means the occurrence of either of the following events: (a) any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 30 percent or more of the total voting power of the stock of the Company, or (b) a majority of the members of the Company's Board of Directors is replaced during a 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board of Directors before the date of the appointment or election, in each case interpreted in accordance with Section 409A of the Internal Revenue Code of 1986, as amended and applicable Treasury regulations ("409A").

"Disability" means Grantee is considered "disabled" within the meaning of Section 409A(a)(2)(C) of the Code and the regulations thereunder, or, with respect to Grantee who is not subject to United States income tax as may otherwise be determined or construed by the Committee.

"Good Reason" means the occurrence of any of the following changes to your employment, provided that Arrow does not rescind such changes within thirty days following your written request: (i) a material adverse diminution in your duties and responsibilities; (ii) your base salary is materially reduced, other than in connection with a region-wide or company-wide pay cut/furlough program; or (iii) a material change in the geographic location of your principal place of business of more than fifty (50) miles from your current location. For the avoidance of doubt, a mere change in titled and/or reporting relationship shall not be grounds for a claim of "Good Reason." You will have "Good Reason" to terminate your employment only if such action is taken during the two year period following a Change of Control.

"Retirement" means your retirement under a retirement plan of Arrow, or one of its subsidiaries or affiliates, at or after your normal retirement age or, with the written consent of the Committee, at an early retirement date.

13. Tax Withholding. Arrow shall have the right to deduct or withhold [(including, without limitation, by reduction of the number of shares of Common Stock subject to the Performance Stock Units),] or require Grantee to remit to Arrow, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation or be withheld with respect to any taxable event arising as a result of this Agreement.

14. Section 409A Compliance. Notwithstanding the foregoing provisions of this agreement, if any award payable hereunder in connection with your termination of employment is subject to Section 409A of the Code as deferred compensation (and does not qualify for the "short term deferral" or any other exemption under applicable Treasury regulations) and you are a "specified employee" within the meaning of Section 409A of the Code, payment of such award, or delivery of shares, will be delayed for six (6) months following your termination date if necessary to comply with Section 409A of the Code. In no event whatsoever shall Arrow be liable for any additional tax, interest or penalties that may be imposed on Grantee by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

The parties have entered into this Agreement as of the date first written above by signing where indicated below.

Arrow Electronics, Inc.

By: ________________

Peter S. Brown
SVP and General Counsel

____
PARTICIPANT NAME

Exhibit 10(d)(iv)

Arrow Electronics, Inc.
Restricted Stock Unit Award Agreement

Grantee: ______________

Grant Date: ______________

Number of Restricted Stock Units: ______________

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (the "Agreement") dated as of _____________ is between Arrow Electronics, Inc., a New York corporation (the "Company" or "Arrow") and _____________ (the "Grantee" or "you"). In consideration of mutual promises and covenants made in this Agreement and the mutual benefits to be derived from this Agreement, the Company and Grantee agree as follows:

Subject to the provisions of this Agreement and the provisions of the Arrow Electronics, Inc. 2004 Omnibus Incentive Plan (the "Plan"), the Company hereby grants to the Grantee the number of restricted stock units shown above (the "Restricted Stock Units") as of ____________ (the "Grant Date"). This Restricted Stock Unit will continue to vest during any military leave of absence (as that term is defined in the then current applicable Arrow Employee Handbook). Capitalized terms used and not defined in this Agreement have the meanings given to them in the Plan.

1. Vesting Generally. Subject to the provisions of Sections 2 through 5 of this Agreement, twenty-five percent (25%) of the Restricted Stock Units will vest and become non-forfeitable on each of the first four anniversaries of the Grant Date, but only if Grantee remains employed by Arrow (or one of its subsidiaries or affiliates) on the applicable anniversary. Within thirty days after Restricted Stock Units vest, each vested Restricted Stock Unit shall be settled by delivery of one share of Common Stock. Any fractional Restricted Stock Units shall be rounded to the nearest whole number. Delivery of shares within the applicable grace periods permitted by Section 409A of the Internal Revenue Code of 1986, as amended, shall be deemed made on the scheduled payment date.

2. Vesting following Retirement. Upon your Retirement from Arrow, any unvested portion of the Restricted Stock Units will continue to vest under the same schedule as set forth under Section 1 hereof; provided that you do not engage or become interested in any Competing Business during such remaining vesting period (whether as an owner, partner, director, employee, consultant or otherwise), in which case any unvested portion of the Restricted Stock Unit will be forfeited and no payment or delivery of shares will be made therefor.

3. Vesting following Certain Terminations. Upon your termination of employment from Arrow under circumstances which entitle you to receive severance payments from Arrow in the form of salary continuation, any unvested portion of the Restricted Stock Units will continue to vest under the same schedule as set forth under Section 1 hereof, for the period you are receiving Severance Payments; provided that you do not engage or become interested in any Competing Business during such remaining vesting period (whether as an owner, partner, director, employee, consultant or otherwise), in which case any unvested portion of the Restricted Stock Unit will be forfeited and no payment or delivery of shares will be made therefor.

4. Death or Disability. Upon your termination of employment from Arrow by reason of death or Disability, any unvested part of the Restricted Stock Units will vest immediately.

5. Termination of Employment following a Change of Control. Any unvested portion of the Restricted Stock Units will vest immediately upon the termination of your employment by Arrow without Cause, or by you for Good Reason, in either such case occurring within two (2) years after a Change of Control of Arrow.

If your employment ends for any reason (other than as described in Section 2 through 5 above) before your Restricted Stock Units fully vest, the unvested portion of the Restricted Stock Units will be forfeited and there will be no payment or delivery of shares to you related to such forfeited Restricted Stock Units.

The terms "Cause," "Change of Control," "Competing Business," "Disability," "Good Reason," and "Retirement," as used in this Agreement are defined in Section 14 below.

6. Restriction Period. For any Restricted Stock Unit, the "Restriction Period" begins on the Grant Date and ends on the date on which that Restricted Stock Unit vests.

7. Rights of Shareholder. The Grantee shall not be entitled to any voting rights or other rights or privileges of ownership of shares of Common Stock with respect to the Restricted Stock Units unless and until shares of Common Stock are actually delivered to the grantee pursuant to this Agreement.

8. Dividends. In the event that dividends are paid, the Grantee will be credited as of the date each such dividend is paid with additional Restricted Stock Units having a value equal to the aggregate amount of the dividend that would have been paid with respect to the Grantee's Restricted Stock Units if they had been actual shares of Common Stock, based on the Fair Market Value (as defined in the Plan) of a share of Common Stock on the applicable dividend payment date. Such additional Restricted Stock Units shall also be credited with additional Restricted Stock Units as dividends are paid thereafter, and shall be subject to the same restrictions and conditions as the Restricted Stock Unit with respect to which they were credited.

9. Transferability. Except as otherwise determined by the Committee, Restricted Stock Units granted under this Agreement are not transferable by Grantee, whether voluntary or involuntary, by operation of law or otherwise, during the Restriction Period, except as provided in the Plan. Any assignment, pledge, transfer or other disposition, voluntary or involuntary, of the Restricted Stock Units made, or attachment, execution, garnishment, or lien issued against or placed upon the Restricted Stock Units, shall be void.

10. Administration. This Agreement and the rights of the Grantee hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon Grantee. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan. You can only accept and receive the award by indicating your acceptance of the terms and conditions set forth in this Agreement. By accepting this Agreement, you accept and agree to all of its terms. If you do not accept this Agreement your award will be forfeited.

11. Personal Data. To comply with applicable law and to administer the Plan and the terms and conditions of this Agreement, the Company and its agents may hold and process your personal data and/or sensitive personal data. Such data includes, but is not limited to, the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you, and information about your participation in the Plan obtained under the Plan from time to time. By accepting the Restricted Stock Units, you hereby give your explicit consent to the Company's processing any such personal data and/or sensitive personal data, and you also hereby give your explicit consent to the Company's transfer of any such personal data and/or sensitive personal data outside the country in which you work or reside and to the United States. The legal persons for whom your personal data is intended include the Company and any of its subsidiaries, the outside Plan administrator as selected by the Company from time to time, and any other person that the Company may find in its administration of the Plan to be appropriate. You have the right to review and correct your personal data by contacting your local Human Resources Representative. By accepting the Restricted Stock Units, you understand and acknowledge that the transfer of the information outlined here is important to the administration of the Plan, and that failure to consent to the transmission of such information may limit or prohibit your participation in the Plan.

12. No Contract of Employment. By accepting the Restricted Stock Units, you agree to be bound by these terms and conditions and acknowledge that Restricted Stock Units are granted at the sole discretion of the Committee and is not considered part of any contract of employment with the Company or your ordinary or expected salary or other compensation, and that the Restricted Stock Units will not be considered as part of such salary or compensation for purposes of any pension benefits or in the event of severance, redundancy or resignation. If your employment with the Company or a subsidiary is terminated for any reason, whether lawfully or unlawfully, you acknowledge and agree that you will not be entitled by way of damages for breach of contract, dismissal or compensation for loss of office or otherwise to any sum, shares or other benefits to compensate you for the loss or diminution in value of any actual or prospective rights, benefits or expectation under or in relation to the Plan.

13. No Right to Future Awards. This award of Restricted Stock Units shall not entitle Grantee to receive any future Restricted Stock Units or any other awards under the Plan.

14. Definitions. For purposes of this Agreement, the following terms will have the meanings set forth below:

"Cause" means that the Committee, in its sole discretion, determined that you: (i) intentionally failed to perform your duties for Arrow and that failure continues after you receive written warning concerning your failure to perform (this does not mean a mere failure to attain financial goals); (ii) engaged in illegal conduct or gross misconduct which is significantly and demonstrably injurious to Arrow; or (iii) violated any provision of Arrow's Worldwide Code of Business Conduct and Ethics or of any other written agreement you may have with Arrow.

"Competing Business" means any business, which, directly or indirectly, provides the same or substantially similar products or services as those provided by the organization, business units or groups for which you worked or had responsibility during your tenure at Arrow or any of its subsidiaries or affiliates.

"Committee" means the Compensation Committee of Arrow's Board of Directors or a designated subcommittee thereof.

"Change of Control" means the occurrence of either of the following events: (a) any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 30 percent or more of the total voting power of the stock of the Company, or (b) a majority of the members of the Company's Board of Directors is replaced during a 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board of Directors before the date of the appointment or election, in each case interpreted in accordance with Section 409A of the Internal Revenue Code of 1986, as amended and applicable Treasury regulations ("409A").

"Disability" means Grantee is considered "disabled" within the meaning of Section 409A(a)(2)(C) of the Code and the regulations thereunder, or, with respect to Grantee who is not subject to United States income tax as may otherwise be determined or construed by the Committee.

"Good Reason" means the occurrence of any of the following changes to your employment, provided that Arrow does not rescind such changes within thirty days following your written request: (i) a material adverse diminution in your duties and responsibilities; (ii) your base salary is materially reduced, other than in connection with a region-wide or company-wide pay cut/furlough program; or (iii) a material change in the geographic location of your principal place of business of more than fifty (50) miles from your current location. For the avoidance of doubt, a mere change in titled and/or reporting relationship shall not be grounds for a claim of "Good Reason." You will have "Good Reason" to terminate your employment only if such action is taken during the two year period following a Change of Control.

"Retirement" means your retirement under a retirement plan of Arrow, or one of its subsidiaries or affiliates, at or after your normal retirement age or, with the written consent of the Committee, at an early retirement date.

15. Tax Withholding. Arrow shall have the right to deduct or withhold [(including, without limitation, by reduction of the number of shares of Common Stock subject to the Restricted Stock Units),] or require Grantee to remit to Arrow, the minimum statutory amount to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation or be withheld with respect to any taxable event arising as a result of this Agreement.

16. Section 409A Compliance. Notwithstanding the foregoing provisions of this agreement, if any award payable hereunder in connection with your termination of employment is subject to Section 409A of the Code as deferred compensation (and does not qualify for the "short term deferral" or any other exemption under applicable Treasury regulations) and you are a "specified employee" within the meaning of Section 409A of the Code, payment of such award, or delivery of shares, will be delayed for six (6) months following your termination date if necessary to comply with Section 409A of the Code. In no event whatsoever shall Arrow be liable for any additional tax, interest or penalties that may be imposed on Grantee by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.

The parties have entered into this Agreement as of the date first written above by signing where indicated below.

Arrow Electronics, Inc.

By:

Peter S. Brown
SVP and General Counsel

____
PARTICIPANT NAME

Exhibit 10(g)

ARROW ELECTRONICS, INC.
NON-EMPLOYEE DIRECTORS DEFERRED COMPENSATION PLAN
Effective October 1, 2004, as amended and restated effective January 1, 2009

ARROW ELECTRONICS, INC., a New York corporation having its principal offices at 7459 S. Lima Street Englewood, Co 80112 (the "Company"), hereby adopts this amended and restated Arrow Electronics, Inc. Non-Employee Directors Deferred Compensation Plan, effective January 1, 2009 except as otherwise provided.

ARTICLE I
PURPOSE AND DEFINITIONS

1.1 Purpose of Restatement. Pursuant to direction of the Compensation Committee of Arrow Electronics, Inc. (the "Company") at a meeting on September 21, 2004, a deferred compensation plan for non-employee directors ("Plan") was established effective October 1, 2004 as a separate component of the Arrow Electronics, Inc. Executive Deferred Compensation Plan. For the period January 1, 2005 through December 31, 2008, deferrals were authorized, made and administered in accordance with revised Plan terms intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A") and regulations and guidance thereunder ("Regulations"). Effective January 1, 2009 with respect to all deferrals since its original October 1, 2004 effective date and not previously distributed, the Plan is hereby amended and restated to read as set forth herein, in order to reflect the requirements of the final regulations under Section 409A.

1.2 Construction. This Plan shall be administered and interpreted in accordance with Section 409A and the Regulations. Accordingly, no provision hereof shall be construed in any manner that would violate Section 409A or the Regulations nor (to the maximum extent permitted by law) shall any provision of the Plan inconsistent with Section 409A or the Regulations be valid or given any effect whatsoever.

1.3 Definitions. Whenever the following words and phrases are used in this Plan with the first letter capitalized, they shall have the meanings specified below unless the context clearly requires otherwise.

(a) "Account" or "Accounts" shall mean all of such accounts as are specifically authorized for inclusion in this Plan.

(b) "Beneficiary" or "Beneficiaries" shall mean the person or persons, including a trustee, personal representative or other fiduciary, last designated in writing by a Participant on the form prescribed for the purpose by the Committee by the filing thereof in accordance with procedures established by the Committee to receive the benefits specified hereunder in the event of the Participant's death, subject to the following:

(i) No beneficiary designation shall become effective until it is filed with the Committee.

(ii) Any designation shall be revocable at any time through filing of a new beneficiary designation form in accordance with procedures established by the Committee with or without the consent of the previous Beneficiary.

(iii) If a Participant designates more than one beneficiary in a particular class (primary or contingent) and one but not all of the beneficiaries in that class dies before the Participant (or ceases to qualify as Beneficiary pursuant to clause (vii) below), the deceased beneficiary's share shall be paid to other beneficiaries of the same class unless otherwise specified by the Participant in his or her designation of beneficiary.

(iv) If no designation of beneficiary has been made in accordance with the foregoing, or if there is no surviving designated primary or contingent Beneficiary, then the Participant's surviving spouse shall be the Beneficiary. If there is no surviving spouse to receive any benefits payable in accordance with the preceding sentence, the duly appointed and currently acting personal representative of the Participant's estate (which shall include either the Participant's probate estate or living trust) shall be the Beneficiary. In any case where there is no such personal representative of the Participant's estate duly appointed and acting in that capacity within 90 days after the Participant's death (or such extended period as the Committee determines is reasonably necessary to allow such personal representative to be appointed, but not to exceed 180 days after the Participant's death), then "Beneficiary" shall mean the person or persons who can verify by affidavit or court order to the satisfaction of the Committee that they are legally entitled to receive the benefits specified hereunder.

(v) In the event any amount is payable under the Plan to a minor, payment shall not be made to the minor, but instead be paid (A) to that person's living parent(s) to act as custodian, (B) if that person's parents are then divorced, and one parent is the sole custodial parent, to such custodial parent, or (C) if no parent of that person is then living, to a custodian selected by the Committee to hold the funds for the minor under the Uniform Transfers or Gifts to Minors Act in effect in the jurisdiction in which the minor resides. If no parent is living and the Committee decides not to select another custodian to hold the funds for the minor, then payment shall be made to the duly appointed and currently acting guardian of the estate for the minor or, if no guardian of the estate for the minor is duly appointed and currently acting within 60 days after the date the amount becomes payable, payment shall be deposited with the court having jurisdiction over the estate of the minor.

(vi) If a designated Beneficiary as determined under the foregoing cannot be located within two years following the date as of the Participant's death, such Beneficiary shall be treated as having predeceased the Participant, for purposes of the forgoing.

(vii) Except to the extent otherwise provided in an applicable and binding domestic relations order, a designation of the Participant's spouse as Beneficiary will automatically be cancelled if the marriage terminates by divorce or is annulled or such a legal separation order is issued unless the designation clearly states that the individual named as Beneficiary is to continue as such following termination of the marriage or such separation.

(viii) A single beneficiary designation (and form for making such designation) shall apply for purposes of each of this Plan , and the Non-Employee Directors Deferred Stock Unit Plan and its predecessor Non-Employee Director Deferral Plan ("Stock Unit Plan"). Notwithstanding anything herein to the contrary, in the event that a Participant had a beneficiary designation in effect under the Stock Unit Plan prior to his or her designation of beneficiary under this Plan, the beneficiary or beneficiaries so designated shall be the Participant's Beneficiary under this Plan unless and until the Participant shall designate another Beneficiary in accordance with the foregoing provisions of this Section 1.3(b).

(c) "Board of Directors" or "Board" shall mean the Board of Directors of Company, or any duly authorized committee thereof.

(d) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(e) "Committee" shall mean the Committee appointed to administer the Plan in accordance with Article VI.

(f) "Company" shall mean Arrow Electronics, Inc., a New York corporation, or any successor thereof that adopts this Plan.

(g) "Compensation" shall mean all Board and committee meeting fees payable to a Director, and any annual retainer payable for a Plan Year beginning after the Effective Date, determined in each case before reduction for amounts deferred under the Plan or the Company's Non-Employee Directors Deferred Stock Unit Plan. Compensation does not include expense reimbursements, incentive stock awards or any form of noncash compensation or benefits.

(h) "Deferral Account" shall mean the bookkeeping account maintained for each Participant that is credited with amounts equal to the portion of the Participant's Compensation that he or she elects to defer, as adjusted for earnings and losses from the deemed investment of such amounts pursuant to Article IV.

(i) "Director" shall mean a non-employee director of the Company.

(j) "Distributable Amount" shall mean the balance in the Participant's Deferral Account (if any).

(k) "Effective Date" shall mean October 1, 2004.

(l) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

(m) "Fund" shall mean an investment fund that the Committee selected to use as a basis for determining the adjustments to be made to a Participant's Deferral Account in accordance with Section 4.2.

(n) "Fund Subaccount" shall mean a subaccount established pursuant to Section 4.2 to account for amounts whose Investment Adjustment is determined to particular Fund.

(o) "Investment Adjustment" shall mean, for each Fund in which a Participant's Account is deemed invested pursuant to Section 4.2, an amount equal to the net gain or loss on the assets of such Fund.

(p) "Participant" shall mean any Director who becomes a Participant in this Plan in accordance with Article II.

(q) "Plan" shall mean this Arrow Electronics, Inc. Non-Employee Directors Deferred Compensation Plan established effective October 1, 2004, as revised and in effect for the period January 1, 2005 through December 31, 2008, and the terms of which effective January 1, 2009 are set forth herein.

(r) “Plan Year” or “Year” shall mean the short plan year October 1, 2004 to December 31, 2004 and thereafter January 1 to December 31.

(s) “Plan Year Account” shall mean an Account for a Participant reflecting all deferrals by the Participant for a particular Plan Year.

(t) “Separation from Service” shall mean separation from service as a Director by a Participant who immediately thereafter neither performs nor is expected to perform services for the Company or any Subsidiary in any other capacity or who otherwise separates from service within the meaning of Treasury Regulation §1.409A-1(h).

(u) “Subsidiary” shall mean a subsidiary or affiliate that is a member of the same controlled group as the Company within the meaning of section 414(b) or (c) of the Code.

(v) “Trust” shall mean any rabbi trust that the Company in its sole discretion may establish to assist in meeting the Company's obligations under the Plan.

(w) “Trustee” shall mean the trustee of the Trust.

(x) “Unforeseeable Emergency” shall mean a severe financial hardship of the Participant resulting from an illness or accident of the Participant or the Participant's spouse or dependent (as defined in section 152 of the Code without regard to section 152(b)(1), (b)(2) and (d)(1)(B)); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by insurance, for example, as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or his spouse or dependent as determined in accordance with Treasury Regulation § 1.409A-3(i)(3) (and which shall not include purchase of a home or the payment of tuition). Whether a Participant is faced with an unforeseeable emergency permitting a distribution under this paragraph is to be determined by the Board of Directors based on the relevant facts and circumstances, but, in any case, a distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or by cessation of deferrals under the Plan and any other plan providing for elective deferrals.

ARTICLE II
PARTICIPATION

A Director shall become a Participant in the Plan by completing all forms as required by the Committee (which may, in the discretion of the Committee, include an application for a variable life insurance policy referenced in Section 4.2(a)).

ARTICLE III
DEFERRAL ELECTIONS

3.1 Elections to Defer Compensation. A Director shall be entitled to defer Compensation in accordance with and subject to the conditions of this Article III, by filing with the Committee a deferral election in such form and manner and at such time permitted under this Article III as the Committee shall prescribe.

3.2 Time and Form of Election. A deferral election with respect to any applicable category of Compensation for a Plan Year (or portion thereof), namely the Director's annual retainer or meeting fees, respectively, may be made as any whole percentage of such Compensation up to one-hundred (100%) percent. The time for making any such election shall be as follows:

(a) 2004 Election. An individual who is a Director on the Effective Date may elect by election duly filed with (and received by) the Committee on or before November 12, 2004, to defer all or a portion of his or her fees for Board or committee meetings from November 12, 2004 to December 31, 2004.

(b) Election Deadline. An individual who is a Director as of the first day of any Plan Year beginning on or after January 1, 2005 may elect to defer his or her Compensation for such Plan Year, by election duly filed with the Committee no later than December 1 of the immediately preceding Plan Year (or such later date as the Committee may authorize in its sole discretion, but not later than December 31 of such immediately preceding Plan Year).

(c) Evergreen Election. A Director's deferral election for a Plan Year beginning on or after January 1, 2005 shall apply to all subsequent Plan Years during which the Director is eligible to participate in the Plan unless and to the extent such election is revoked and/or a new and different election is made by the Director, no later than the deadline applicable under paragraph (b) above to such subsequent Plan Year.

(d) New Mid-Year Eligibles. An individual who first becomes a Director as of a date other than the first day of a Plan Year (and who was not previously eligible to participate in any other elective account balance nonqualified deferred compensation plan maintained by the Company or a Subsidiary for Directors or other independent contractors) ("a "Similar Plan") may elect, by election duly filed with the Committee within the thirty (30) day period commencing on such date, to defer his or her Compensation, earned during the portion of such Plan Year after the date of such election. The Committee may, in its discretion, extend the application of this Section 3.2(d) to one or more individuals who were formerly eligible to participate in the Plan or any Similar Plan but who ceased to be so eligible and who may be treated as newly eligible Directors under Treasury Regulation §1.409A-2(a)(7).

3.3 Irrevocability. A Participant's deferral election under this Article III shall be irrevocable after the last date prescribed under Section 3.2 for the making of such election; provided, however, that such election may be revoked with the consent of the Board of Directors as part of a determination that an Unforeseeable Emergency exists permitting distribution under Section 5.3 hereof.

ARTICLE IV
PARTICIPANT ACCOUNTS

4.1 Deferral Accounts.

(a) Establishment of Plan Year Accounts. The Committee shall establish and maintain a Deferral Account for each Participant under the Plan, which shall be subdivided into a separate Plan Year Account for each Plan Year with respect to which the Participant elected to defer Compensation hereunder.

(b) Deferrals Credited to Fund Subaccounts. Each Plan Year Account shall be further divided into separate subaccounts ("Fund Subaccounts"), each of which corresponds to a Fund elected by the Participant pursuant to Section 4.2(b). No later than the fifth business day after amounts are withheld and deferred from a Participant's Compensation for a Plan Year, the Committee shall credit each Fund Subaccount within the Participant's Plan Year Account for that Year with an amount equal to the Compensation (or portion thereof in whole percentages) so withheld and deferred that the Participant has elected to be deemed invested in the Fund associated with such Subaccount.

(c) Deferral Account Fully Vested. A Participant shall be 100% vested in his or her Deferral Account at all times.

4.2 Fund Elections.

(a) Committee Selection of Available Funds. The Committee shall select from time to time, in its sole and absolute discretion, commercially available investment funds, which may either be free-standing or components of variable life insurance policies, to serve as Funds in which a Participant may deem his or her Deferral Account invested pursuant to Section 4.2(b) and (c) below. The investment return (positive or negative) calculated by the Committee and its recordkeeper for each such investment fund shall be used to determine the Investment Adjustment to be credited or charged (as the case may be) to the portion of the Participant's Account deemed invested in the corresponding Fund.

(b) Designation of Fund for Deemed Investment of Current Deferrals. Each Participant shall designate, in accordance with procedures prescribed by the Committee, the Fund (or Funds, which shall be designated in whole percentage increments) in which his or her deferrals for each Plan Year will be deemed to be invested for purposes of determining the Investment Adjustment to be credited or charged with respect thereto.

(c) Designation of Fund for Deemed Investment of Plan Year Account Balances. In accordance with procedures prescribed by the Committee, a Participant may change each of the Fund allocations of his or her Accounts monthly prior to distribution thereof. Separate changes may be made for the Participant's Plan Year Account for each Plan Year. Changes made by the 25th of the month will be effective the first business day of the following month.

(d) Default Rule. If no valid designation of a Fund is in effect for a Participant's Account or any portion thereof, the money market type of investment fund shall be deemed elected with respect thereto.

4.2 Adjustment of Fund Subaccounts. Each business day prior to the valuation date applicable under Article V to payment in respect thereof, each Fund Subaccount within a Participant's Deferral Account (i) shall be credited or charged (as the case may be) with (i) an amount determined by multiplying the balance credited to such Subaccount as of the prior day, plus deferrals credited that day to such Subaccount, by the Investment Adjustment for the Fund to which such Subaccount relates, (ii) shall be credited with any transfer to such Fund Subaccount from another such Subaccount, and charged with any transfer from such Fund Subaccount to another such Subaccount, and (iii) shall be charged with the amount of any payments therefrom under the Plan.

ARTICLE V
DISTRIBUTIONS

5.1 Separation from Service. Upon a Participant's Separation from Service, a lump sum payment shall be made to the Participant within the 90-day period beginning on the fifteenth (15th) day of the month following the end of the month in which such event occurs, in an amount equal to the balance credited to the Participant's Accounts as of the last day of the month in which such event occurs.

5.2 Distribution on Death. If a Participant dies while a Director, or after the Participant's Separation from Service but prior to the completion of all payments in respect of his or her Accounts under the Plan, the total undistributed balance of such Accounts shall be paid to his or her Beneficiary in a lump sum within the 90-day period beginning on the fifteenth (15th) day of the month following the month in which death occurs, in an amount based on the balance of the Participant's Accounts on the last day of the month preceding payment. Payment by the Company pursuant to any unrevoked and valid Beneficiary designation under Section 1.3(b), or to the person or persons entitled thereto under Section 1.3(b) in the absence of such a designation, shall terminate any and all liability of the Company with respect thereto.

5.3 Emergency Distribution. A Participant shall be permitted to elect an Emergency Distribution from his or her Accounts in the sole discretion of the Board of Directors ("Board"), in which decision the Participant shall not participate, subject to the following restrictions:

(a) The election to take an Emergency Distribution shall be made by filing a form provided by and filed with the Board.

(b) The Board shall have made a determination that an Unforeseeable Emergency exists.

(c) The amount determined by the Board as an Emergency Distribution shall be paid in a single cash lump sum on the last day of the calendar month in which the Emergency Distribution election is made and approved by the Board.

(d) If a Participant receives an Emergency Distribution, the Participant will be ineligible to participate in the Plan for the balance of the Plan Year and the following Plan Year.

5.4 Medium of Distribution. All distributions under the Plan shall be made in cash.

5.5 Actual Payment Date. The provisions hereof for payment within a specified period shall be construed and may be applied as the Committee (including the Plan recordkeeper) deems necessary or advisable and in accordance with applicable provisions of the Regulations, including without limitation Treasury Regulation §1.409A-3(d), without liability to any Participant or Beneficiary by reason thereof. In the event that payment is delayed by reason of a failure of the Participant or Beneficiary to provide and keep on file with the Committee the information that is necessary to effect payment by such month-end, the Committee shall have complete discretion to determine whether payment shall be made in the same amount as if payment had been made on the date initially scheduled or to adjust the Accounts of the Participant or Beneficiary during the period of delay up to the end of the month preceding the date on which payment is actually made.

5.6 Payment to Incompetent. If any Participant or Beneficiary entitled to benefits under the Plan shall be legally incompetent, or in the sole judgment of the Committee is considered by reason of physical or mental condition to be unable to give a valid receipt therefor, such benefits may be paid in one or more of the following ways, as the Committee in its sole discretion shall determine:

(a) To the legal representatives of the Participant or Beneficiary;

(b) Directly to such Participant or Beneficiary;

(c) To the spouse or guardian of such Participant or Beneficiary or such other person found by the Committee, in its sole judgment, to have assumed the care of such Participant or Beneficiary.

If a Beneficiary is a minor, payment of such benefits shall be made as described in Section 1.3 (b)(v).
Payment to any person in accordance with these provisions will, to the extent of the payment, discharge the Company's obligation with respect thereto, and none of the foregoing or the Committee will be required to see to the proper application of any such payment. Without in any manner limiting these provisions, in the event that any amount is payable hereunder

to any incompetent Participant or Beneficiary described above, the Committee may in its discretion utilize the procedures described in Section 5.7.

5.7 Doubt as to Right to Payment. If any doubt exists as to the right of any person to any benefits hereunder or the amount of time of payment of such benefits (including, without limitation, any case of doubt as to identity, or any case in which notice has been received from any person claiming any interest in amounts payable hereunder, or any case in which a claim from other persons may exist by reason of community property or similar laws), the Committee will be entitled, in its discretion, to direct that payment of such benefits be deferred until order of a court of competent jurisdiction, or to pay such sum into court in accordance with appropriate rules of law in such case then provided, or to make payment only upon receipt of a bond or similar indemnification (in such amount and in such form as is satisfactory to the Committee).

5.8 Acceleration generally prohibited. No acceleration of payments under the Plan shall be permitted except as authorized by the Regulations and approved by the Board in its discretion consistent with such Regulations. Without limiting the generality of the foregoing, distribution may be accelerated as may be necessary to comply with ethics or conflict of interest requirements in accordance with Treasury Reg. § 1.409A-3(j)(4)(iii).

5.9 Delays to comply with Securities and other Laws. Payment may be delayed as the Company or the Committee may determine to be necessary or advisable in order to comply with Federal securities or other applicable laws or as otherwise authorized by applicable Regulations, including Treas. Reg.§ 1.409A-2(b)(7). The balance credited to each of the Participant's Accounts shall continue to be adjusted pursuant to Section 4.3 during the period of any delay in payment under this Section 5.9, including any delay during the period where the Company or the Committee is determining whether such a delay is necessary or appropriate, up to the last day of the month immediately preceding the date of payment.

ARTICLE VI
ADMINISTRATION

6.1 Committee. The Compensation Committee of the Board of Directors ("Compensation Committee") shall appoint a Management Pension Investment and Oversight Committee (the "Committee"), which shall consist of not less than three persons to serve at the pleasure of the Compensation Committee. Any vacancy on the Committee, arising for any reason whatsoever, shall be filled by the Compensation Committee. The Committee shall hold meetings upon such notice, at such place or places, at such time or times and in such manner (including meetings in which members may participate through teleconferencing or similar means) as it may from time to time determine. A majority of the members of the Committee at the time in office shall constitute a quorum for the transaction of business, and action by a majority of those present at any meeting at which a quorum is present shall constitute action by the Committee. The Committee may also act without a meeting by instrument in writing signed by a majority of the members of the Committee, or by one or more members to whom the Committee has previously delegated the authority to take such action. No member of the Committee shall be entitled to act on or decide any matter relating specifically to such member.

6.2 Powers and Duties of the Committee. The Committee shall enforce the Plan in accordance with its terms, shall be charged with the general administration of the Plan, and shall have all powers and discretion necessary to accomplish its purposes, including, but not by way of limitation, the following:

(i) to select the Funds in accordance with Section 4.2(a) hereof;

(ii) to construe and interpret the terms and provisions of this Plan;

(iii) to determine any question arising in the administration, interpretation and application of the Plan, including without limitation questions of fact and of construction;

(iv) to make and publish such rules for the regulation of the Plan and procedures for the administration of the Plan (including the making of elections thereunder) as are not inconsistent with the terms hereof;

(v) to compute and certify to the amount and kind of benefits payable to Participants and their Beneficiaries;

(vi) to maintain all records that may be necessary for the administration of the Plan;

(vii) to correct defects, rectify errors, supply omissions, clarify ambiguities, and reconcile inconsistencies to the extent it deems necessary or desirable to effectuate the Plan;

(viii) to take all actions necessary for the administration of the Plan, including determining whether to hold or discontinue any insurance policies held by the Company or any Trust; and

(ix) to make a determination as to the rights of any person to a benefit and to afford any person dissatisfied with such determination the right to an appeal.

The determinations of the Committee shall be conclusive and binding on all persons to the maximum extent permitted by law.

6.3 Delegation of Authority; Appointment of Agents. The Committee may (i) allocate any of its responsibilities, powers and discretion under the Plan to one or more members of the Committee, and (ii) appoint a Plan administrator or any other agent, and delegate to them such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe. The actions taken by any member or members of the Committee or any other such persons in the exercise of responsibilities, powers and discretion delegated hereunder shall have the same valid and binding effect under the Plan as action by the full Committee.

6.4 Compensation, Expenses and Indemnity.

(a) The members of the Committee shall serve without compensation for their services hereunder.

(b) The Committee is authorized at the expense of the Company to employ such legal counsel as it may deem advisable to assist in the performance of its duties hereunder. Expenses and fees in connection with the administration of the Plan shall be paid by the Company.

(c) To the extent permitted by applicable state law, the Company shall indemnify and hold harmless the Committee and each member thereof, the Board of Directors and any delegate of the Committee who is an employee of the Company against any and all expenses, liabilities and claims, including legal fees to defend against such liabilities and claims arising out of their discharge in good faith of responsibilities under or incident to the Plan, other than expenses and liabilities arising out of willful misconduct. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the Company or provided by the Company under any bylaw, agreement or otherwise, as such indemnities are permitted under state law.

6.5 Disputes.

(a) Claim. A person who believes that he or she is being denied a benefit to which he or she is entitled under this Plan (hereinafter referred to as "Claimant") must file a written request for such benefit with the Company, setting forth his or her claim. The request must be addressed to the General Counsel of the Company at its then principal place of business.

(b) Claim Decision. Upon receipt of a claim, the Company shall advise the Claimant that a reply will be forthcoming within ninety (90) days and shall deliver such reply within such period. The Company may, however, upon notice to the Claimant within such period, extend the reply period for an additional ninety (90) days for special circumstances.

If the claim is denied in whole or in part, the Company shall inform the Claimant in writing, and set forth: (A) the specified reason or reasons for such denial; (B) the specific reference to pertinent provisions of this Plan on which such denial is based; (C) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation of why such material or such information is necessary; (D) appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review; and (E) the time limits for requesting a review under subsection (c).

(c) Request For Review. Within sixty (60) days after the receipt by the Claimant of the written opinion described above, the Claimant may request in writing that the Committee review the determination of the Company. Such request must be addressed to the General Counsel of the Company, at its then principal place of business. The Claimant or his or her duly authorized representative may, but need not, review the pertinent documents and submit issues and comments in writing for consideration by the Committee. If the Claimant does not request a review within such sixty (60) day period, he or she shall be barred and estopped from challenging the Company's determination.

(d) Review of Decision. Within sixty (60) days after the Committee's receipt of a request for review, after considering all materials presented by the Claimant, the Committee will inform the Claimant in writing, in a manner calculated to be understood by the Claimant, the decision setting forth the specific reasons for the decision containing specific references to the pertinent provisions of this Plan on which the decision is based. If special circumstances require that the sixty (60) day time period be extended, the Committee will so notify the Claimant before the expiration of such period and will render the decision as soon as possible, but no later than one hundred twenty (120) days after receipt of the request for review.

6.6 Liability, Limited; Indemnification. The members of the Committee and each of them shall be free from all liability, joint and several, for their acts and conduct, and for the acts and conduct of any duly constituted agents. The Company shall indemnify and save them harmless from the effects and consequences of their acts and conduct in such official capacity except to the extent that such effects and consequences flow from their own willful misconduct. Under no circumstances will members of the Committee be personally liable for the payment of Plan benefits.

ARTICLE VII
MISCELLANEOUS

7.1 Unsecured General Creditor. Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, claims, or interest in any specific property or assets of the Company or the Trust (if any). No assets of the Company or the Trust shall be held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future, and the rights of the Participants and Beneficiaries shall be no greater than those of unsecured general creditors. It is the intention of the Company that this Plan be unfunded for purposes of the Code and within the meaning of Title I of ERISA (notwithstanding that ERISA has no application as such to the Plan). Any payment to a Participant or the Participant's Beneficiary in accordance with the provisions of the Plan shall be in full satisfaction of all claims against the Committee and the Company under the Plan.

7.2 Restriction Against Assignment. The Company shall pay all amounts payable hereunder only to the person or persons designated by the Plan and not to any other person or corporation. No part of a Participant's Accounts shall be liable for the debts, contracts, or engagements of any Participant, his or her Beneficiary, or successors in interest, nor shall a Participant's Accounts be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding, nor shall any such person have any right to alienate, anticipate, sell, transfer, commute, pledge, encumber, or assign any benefits or payments hereunder in any manner whatsoever. If any Participant, Beneficiary or successor in interest is adjudicated bankrupt or purports to anticipate, alienate, sell, transfer, commute, assign, pledge, encumber or charge any distribution or payment from the Plan, voluntarily or involuntarily, the Committee, in its discretion, may cancel such distribution or payment (or any part thereof) to or for the benefit of such Participant, Beneficiary or successor in interest in such manner as the Committee shall direct.

7.3 Amendment, Modification, Suspension or Termination. The Company, acting through the Board of Directors (including through the Compensation Committee of the Board) or through the Committee, may amend, modify, suspend or terminate the Plan in whole or in part, except that no amendment, modification, suspension or termination shall have any retroactive effect to reduce any amounts allocated to a Participant's Accounts, or adversely affect his vested interest therein. A termination of the Plan shall not cause the acceleration of payments under the Plan unless the Committee determines, after consultation with counsel, that the terms and conditions of such termination are within exceptions provided by the Regulations to the general Section 409A prohibition against acceleration. Notwithstanding any other provision of the Plan, the Committee shall have the right and power to adopt any and all such amendments to the Plan as it shall deem necessary or advisable to ensure compliance with Section 409A and the Regulations, including amendments with retroactive effect.

7.4 Governing Law. The Plan shall be construed and governed in all respects according to the laws of the State of New York, where it is adopted, without regard to principles of conflict of laws.

7.5 Data. Any Participant or Beneficiary entitled to benefits under the Plan must furnish to the Committee such documents, evidence, or other information as the Committee considers necessary or desirable for the purpose of administering the Plan, including, without limitation, his or her current mailing address and any other address necessary to effect the making of payment hereunder.

7.6 Separability. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability will not affect other provisions of the Plan, and the Plan will be construed and enforced as if such provision had not been included therein.

7.7 Headings. Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

7.8 Usage. Whenever applicable, the singular, when used in the Plan, will include the plural and vice versa.

7.9 Grantor Trust Agreement/Change of Control. The powers, rights and duties of the Trustee under any rabbi trust created for the purpose of assisting the Company in meeting its obligations under the Plan shall, following a "Change of Control" as defined in the trust agreement for such Trust, govern and prevail to the extent inconsistent with any of the provisions of the Plan, including without limitation Plan provisions making the Committee's determinations final and binding. The Company shall make such contributions to such Trust as shall be required under the terms of such trust agreement. Although the principal of the Trust and any earnings thereon shall be held separate and apart from other funds of Company and shall be used exclusively for the uses and purposes of Participants and Beneficiaries as set forth therein, neither the Participants nor their Beneficiaries shall have any preferred claim on, or any beneficial ownership in, any assets of the Trust prior to the

time such assets are paid to the Participants or Beneficiaries as benefits, and all rights created under this Plan shall be unsecured contractual rights of Plan Participants and Beneficiaries against the Company. Any assets held in the Trust will be subject to the claims of Company's general creditors under federal and state law in the event of insolvency as more fully provided in the trust agreement for the Trust.

7.10 Administrative Processing Considerations. Notwithstanding any other provision of the Plan, it shall be recognized that implementation of the accounting, valuation and distribution procedures required under the Plan is dependent upon the Plan recordkeeper receiving complete and accurate information from a variety of different sources on a timely basis. Since events may occur that interrupt or otherwise interfere with this process, there shall be no guarantee by the Plan that any given information or transaction will be received or processed at the anticipated time and day. If any such events shall occur, any affected transaction will be processed as soon as administratively feasible consistently with the Regulations, without liability to any Participant or Beneficiary by reason thereof.

7.11 Correction of Error. The Committee may adjust the Accounts of any or all Participants in order to correct errors and rectify omissions in such manner as the Committee believes will best result in the equitable and nondiscriminatory administration of the Plan and ensure compliance with Section 409A and the Regulations and/or to make use of such correction procedures as may be established to mitigate or avoid penalties for violation thereof, without liability to any Participant or Beneficiary by reason thereof.

ARROW ELECTRONICS, INC.

NON-EMPLOYEE DIRECTORS DEFERRED COMPENSATION PLAN

Effective October 1, 2004, as amended and restated effective January 1, 2009

Adopted by action of the Arrow Electronics, Inc. Management Pension and Investment Oversight Committee on December 12, 2008

TABLE OF CONTENTS

ARTICLE I PURPOSE AND DEFINITIONS

1.1 Purpose of Restatement

1.2 Construction

1.3 Definitions

ARTICLE II PARTICIPATION

ARTICLE III DEFERRAL ELECTIONS

3.1 Elections to Defer Compensation

3.2 Time and Form of Election

3.3 Irrevocability

ARTICLE IV PARTICIPANT ACCOUNTS

4.1 Deferral Accounts

4.2 Fund Elections

4.3 Adjustment of Fund Subaccounts

ARTICLE V DISTRIBUTIONS

5.1 Separation from Service

5.2 Distribution on Death

5.3 Emergency Distribution

5.4 Medium of Distribution

5.5 Actual Payment Date

5.6 Payment to Incompetent

5.7 Doubt as to Right to Payment

5.8 Acceleration generally prohibited

5.9 Delays to comply with Securities and other Laws

ARTICLE VI ADMINISTRATION

6.1 Committee

6.2 Powers and Duties of the Committee

6.3 Delegation of Authority; Appointment of Agents

6.4 Compensation, Expenses and Indemnity

6.5 Disputes

6.6 Liability, Limited; Indemnification

ARTICLE VII MISCELLANEOUS

7.1 Unsecured General Creditor

7.2 Restriction Against Assignment

7.3 Amendment, Modification, Suspension or Termination

7.4 Governing Law

7.5 Data

7.6 Separability

7.7 Headings

7.8 Usage

7.9 Grantor Trust Agreement/Change of Control

7.10 Administrative Processing Considerations

7.11 Correction of Error

Exhibit 10(m)(xxii)

AMENDMENT NO. 21 TO TRANSFER AND ADMINISTRATION AGREEMENT

AMENDMENT NO. 21 TO TRANSFER AND ADMINISTRATION AGREEMENT, dated as of March 30, 2012 (this "Amendment"), to that certain Transfer and Administration Agreement dated as of March 21, 2001, as amended by Amendment No. 1 to Transfer and Administration Agreement dated as of November 30, 2001, Amendment No. 2 to Transfer and Administration Agreement dated as of December 14, 2001, Amendment No. 3 to Transfer and Administration Agreement dated as of March 20, 2002, Amendment No. 4 to Transfer and Administration Agreement dated as of March 29, 2002, Amendment No. 5 to Transfer and Administration Agreement dated as of May 22, 2002, Amendment No. 6 and Limited Waiver to Transfer and Administration Agreement dated as of September 27, 2002, Amendment No. 7 to Transfer and Administration Agreement dated as of February 19, 2003, Amendment No. 8 to Transfer and Administration Agreement dated as of April 14, 2003, Amendment No. 9 to Transfer and Administration Agreement dated as of August 13, 2003, Amendment No. 10 to Transfer and Administration Agreement dated as of February 18, 2004, Amendment No. 11 to Transfer and Administration Agreement dated as of August 13, 2004, Amendment No. 12 to Transfer and Administration Agreement dated as of February 14, 2005, Amendment No. 13 to Transfer and Administration Agreement dated as of February 13, 2006, Amendment No. 14 to Transfer and Administration Agreement dated as of October 31, 2006, Amendment No. 15 to Transfer and Administration Agreement dated as of February 12, 2007, Amendment No. 16 to Transfer and Administration Agreement dated as of March 27, 2007, Amendment No. 17 to Transfer and Administration Agreement dated as of March 26, 2010, Amendment No. 18 to Transfer and Administration Agreement dated at of December 15, 2010, Amendment No. 19 to Transfer and Administration Agreement dated as of February 14, 2011 and Amendment No. 20 to Transfer and Administration Agreement dated as of December 7, 2011 (as so amended and in effect, the " TAA"), by and among Arrow Electronics Funding Corporation, a Delaware corporation (the " SPV"), Arrow Electronics, Inc., a New York corporation, individually (" Arrow") and as the initial Master Servicer, the several commercial paper conduits identified on Schedule A to the TAA and their respective permitted successors and assigns (the "Conduit Investors"; each individually, a "Conduit Investor"), the agent bank set forth opposite the name of each Conduit Investor on such Schedule A and its permitted successors and assigns (each a " Funding Agent") with respect to such Conduit Investor, Bank of America, National Association, a national banking association, as the administrative agent for the Investors (the "Administrative Agent"), and the financial institutions from time to time parties thereto as Alternate Investors. Capitalized terms used and not otherwise defined herein have the meanings assigned to such terms in the TAA.

PRELIMINARY STATEMENTS:

WHEREAS, the SPV, Arrow, the Conduit Investors, the Funding Agents, the Alternate Investors and the Administrative Agent have entered into the TAA;

WHEREAS, the SPV and Arrow have requested that the Conduit Investors, the Funding Agents, the Alternate Investors and the Administrative Agent agree to make certain changes and amendments to the TAA;

WHEREAS, subject to the terms and conditions set forth herein, the Conduit Investors, the Alternate Investors, the Funding Agents and the Administrative Agent are willing to make such changes and amendments to the TAA.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendments to the TAA. On and as of the Effective Date (as defined below), clause (c) of Section 7.2 of the TAA is hereby amended to delete the phrase "March 31" appearing therein and to replace such phrase with the phrase "September 30".

SECTION 2. Representations and Warranties of the SPV and Arrow. To induce the Conduit Investors, Alternate Investors, the Funding Agents and the Administrative Agent to enter into this Amendment, the SPV and Arrow each makes the following representations and warranties (which representations and warranties shall survive the execution and delivery of this Amendment) as of the date hereof and, after giving effect to the amendments set forth herein as of the Effective Date:

Section 2.1. Authority. The SPV and Arrow each has the requisite corporate power, authority and legal right to execute and deliver this Amendment and to perform its obligations hereunder and under the Transaction Documents, including the TAA (as modified hereby). The execution, delivery and performance by the SPV and Arrow of this Amendment and their performance of the Transaction Documents, including the TAA (as modified hereby), have been duly approved by all necessary corporate action and no other corporate proceedings are necessary to consummate such transactions.

Section 2.2. Enforceability. This Amendment has been duly executed and delivered by the SPV and Arrow. This Amendment is the legal, valid and binding obligation of the SPV and Arrow, enforceable against the SPV and Arrow in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally and the application of general principles of equity (regardless of whether considered in a proceeding at law or in equity). The making and delivery of this Amendment and the performance of the TAA, as amended by this Amendment, do not violate any provision of law or any regulation (except to the extent that the violation thereof could not, in the aggregate, be expected to have a Material Adverse Effect or a material adverse effect on the condition (financial or otherwise), business or properties of Arrow and the other Originators, taken as a whole), or its charter or by-laws, or result in the breach of or constitute a default under or require any consent under any indenture or other agreement or instrument to which it is a party or by which it or any of its properties may be bound or affected.

Section 2.3. Representations and Warranties. The representations and warranties contained in the Transaction Documents are true and correct on and as of the date hereof and the Effective Date, as applicable, as though made on and as of such date after giving effect to this Amendment, except for representations and warranties made by the SPV or Arrow expressly stated to relate to an earlier date, in which case such representations and warranties are true and correct as of such earlier date.

Section 2.4. No Termination Event. After giving effect to this Amendment, no event has occurred and is continuing that constitutes a Termination Event or a Potential Termination Event.

SECTION 3. Conditions Precedent: Amendment. This Amendment shall become effective, as of the date hereof, on the date on which the Administrative Agent shall have received counterparts of this Amendment, duly executed by each of the parties hereto.

SECTION 4. Conditions Precedent: TAA. The amendment to the TAA contemplated in Section 1 above shall become effective on and as of the date (the "Effective Date") identified as such by the

Administrative Agent in a written notice to each of the parties hereto following the determination by the Administrative Agent that each of the conditions set forth below has been satisfied or waived:

Section 4.1. Closing Documents. The Administrative Agent in its sole discretion shall reasonably determine that the requirements of Section 3 of this Amendment have been satisfied.

Section 4.2. Fees and Expenses. Each Funding Agent upon giving affect to this Amendment shall have received for the benefit of itself and its Investors payment in full of such fees and reimbursement of such expenses as may be due and payable by the SPV to such Funding Agent and Investor in connection with this Amendment.

SECTION 5. Payment of Fees and Expenses. The SPV agrees to pay all fees and expenses (including attorney's fees and expenses) as may be due and payable by the SPV to the Administrative Agent pursuant to Section 9.4 of the TAA in connection with this Amendment.

SECTION 6. References to and Effect on the Transaction Documents.

Section 6.1. Except as specifically amended and modified hereby, each Transaction Document is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

Section 6.2. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Investor, Funding Agent or the Administrative Agent under any Transaction Document, nor constitute a waiver, amendment or modification of any provision of any Transaction Document, except as expressly provided in Section 1 hereof.

Section 6.3. This Amendment contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.

Section 6.4. Each reference in the TAA to “this Agreement”, “hereunder”, “hereof” or words of like import, and each reference in any other Transaction Document to “the Transfer and Administration Agreement”, “thereunder”, “thereof” or words of like import, referring to the Agreement, shall mean and be a reference to the Agreement as amended hereby.

SECTION 7. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telefacsimile, electronic mail, portable document format (PDF) or similar means shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 8. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 9. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT O OTHERWISE, AMONG ANY OF THEM ARISING OUT OF, CONNECTED WITH, RELATING TO OR INCIDENTAL TC THE RELATIONSHIP BETWEEN THEM

IN CONNECTION WITH THIS AMENDMENT OR ANY OTHER TRANSACTION DOCUMENT.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Arrow Electronics Funding Corporation,
as SPV

By: /s/ Michael M. Casale
Name: Michael M. Casale
Title: Vice President - Taxation

Arrow Electronics, Inc.,
individually and as Master Servicer
By: /s/ Gregory A. Hanson
Name: Gregory A. Hanson
Title: Vice President and Treasurer

Bank of America, National Association,
as a Funding Agent, as Administrative Agent, and as an Alternate Investor

By: /s/ Robert R. Wood
Name: Robert R. Wood
Title: Director

Signature Page to
Amendment No. 21 to
Arrow Electronics
Transfer and Administration Agreement

Liberty Street Funding LLC,
as a Conduit Investor

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

The Bank of Nova Scotia,
as a Funding Agent and as an Alternate Investor
By: /s/ Diane Emanuel
Name: Diane Emanuel
Title: Managing Director

Gotham Funding Corporation,
as a Conduit Investor
By: /s/ David V. DeAngelis
Name: David V. DeAngelis
Title: Vice President

The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch,
as a Funding Agent
By: /s/ Aditya Reddy
Name: Aditya Reddy
Title: Managing Director

The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch,
as an Alternate Investor
By: /s/ Kenneth Egusa
Name: Kenneth Egusa
Title: Vice President

Wells Fargo, N.A., as a Funding Agent and as an Alternate Investor

By: /s/ William P. Rutkowski
Name: William P. Rutkowski
Title: Vice President

Bryant Park Funding LLC, as Conduit Investor

By: /s/ Kevin P. Burns
Name: Kevin P. Burns
Title: Vice President

HSBC Securities (USA) Inc., as Funding Agent

By: /s/ Thomas Carroll
Name: Thomas Carroll
Title: Director

HSBC Bank plc, as Alternate Investor

By: /s/ Paul Randall
Name: Paul Randall
Title: Manager

Working Capital Management Co., L.P., as Conduit Investor

By: /s/ Shinichi Nochiide
Name: Shinichi Nochiide
Title: Attorney In Fact

Mizuho Corporate Bank, Ltd., as Funding Agent and Alternate Investor

By: /s/ Raymond Ventura
Name: Raymond Ventura
Title: Deputy General Manager

Exhibit 10(m)(xxiii)

AMENDMENT NO. 22 TO TRANSFER AND ADMINISTRATION AGREEMENT

AMENDMENT NO. 22 TO TRANSFER AND ADMINISTRATION AGREEMENT, dated as of August 29, 2012 (this "Amendment"), to that certain Transfer and Administration Agreement dated as of March 21, 2001, as amended by Amendment No. 1 to Transfer and Administration Agreement dated as of November 30, 2001, Amendment No. 2 to Transfer and Administration Agreement dated as of December 14, 2001, Amendment No. 3 to Transfer and Administration Agreement dated as of March 20, 2002, Amendment No. 4 to Transfer and Administration Agreement dated as of March 29, 2002, Amendment No. 5 to Transfer and Administration Agreement dated as of May 22, 2002, Amendment No. 6 and Limited Waiver to Transfer and Administration Agreement dated as of September 27, 2002, Amendment No. 7 to Transfer and Administration Agreement dated as of February 19, 2003, Amendment No. 8 to Transfer and Administration Agreement dated as of April 14, 2003, Amendment No. 9 to Transfer and Administration Agreement dated as of August 13, 2003, Amendment No. 10 to Transfer and Administration Agreement dated as of February 18, 2004, Amendment No. 11 to Transfer and Administration Agreement dated as of August 13, 2004, Amendment No. 12 to Transfer and Administration Agreement dated as of February 14, 2005, Amendment No. 13 to Transfer and Administration Agreement dated as of February 13, 2006, Amendment No. 14 to Transfer and Administration Agreement dated as of October 31, 2006, Amendment No. 15 to Transfer and Administration Agreement dated as of February 12, 2007, Amendment No. 16 to Transfer and Administration Agreement dated as of March 27, 2007, Amendment No. 17 to Transfer and Administration Agreement dated as of March 26, 2010, Amendment No. 18 to Transfer and Administration Agreement dated at of December 15, 2010, Amendment No. 19 to Transfer and Administration Agreement dated as of February 14, 2011, Amendment No. 20 to Transfer and Administration Agreement dated as of December 7, 2011 and Amendment No. 21 to Transfer and Administration Agreement dated as of March 30, 2012 (as so amended and in effect, the "TAA"), by and among Arrow Electronics Funding Corporation, a Delaware corporation (the " SPV"), Arrow Electronics, Inc., a New York corporation, individually ("Arrow") and as the initial Master Servicer, the several commercial paper conduits identified on Schedule A to the TAA and their respective permitted successors and assigns (the "Conduit Investors"; each individually, a "Conduit Investor"), the agent bank set forth opposite the name of each Conduit Investor on such Schedule A and its permitted successors and assigns (each a "Funding Agent") with respect to such Conduit Investor, Bank of America, National Association, a national banking association, as the administrative agent for the Investors (the " Administrative Agent"), and the financial institutions from time to time parties thereto as Alternate Investors. Capitalized terms used and not otherwise defined herein have the meanings assigned to such terms in the TAA.

PRELIMINARY STATEMENTS:

WHEREAS, the SPV, Arrow, the Conduit Investors, the Funding Agents, the Alternate Investors and the Administrative Agent have entered into the TAA;

WHEREAS, the SPV and Arrow have requested that the Conduit Investors, the Funding Agents, the Alternate Investors and the Administrative Agent agree to make certain changes and amendments to the TAA;

WHEREAS, subject to the terms and conditions set forth herein, the Conduit Investors, the Alternate Investors, the Funding Agents and the Administrative Agent are willing to make such changes and amendments to the TAA.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendments to the TAA. On and as of the Effective Date (as defined below), the definition of "Receivable" appearing in Section 1.1 of the TAA is hereby amended and restated in its entirety to read as follows:

> "Receivable" means any indebtedness and other obligations owed by any Obligor to an Originator (without giving effect to any transfer under the First Tier Agreement or any Originator Sale Agreement) under a Contract or any right of the SPV to payment from or on behalf of an Obligor, whether constituting an account, chattel paper, instrument or general intangible, (i) arising in connection with the sale or lease of goods or the rendering of services in the ordinary course of business by such Originator, and includes the obligation to pay any finance charges, fees and other charges with respect thereto, (ii) denominated in Dollars and payable only in the United States, and (iii) the Obligors of which are United States residents and are not an Official Body. Notwithstanding the foregoing, the following indebtedness and obligations shall not constitute "Receivables" for purposes of this Agreement: (x) receivables comprising "CDW Corporation-IBM X Series receivables," account number 1160302, and identified as such on the systems of an Originator; (y) receivables owed by Sanmina-SCI Corporation or any of its Subsidiaries or any successor thereto and (z) Jabil/Branch WJ Receivables.

SECTION 2. Representations and Warranties of the SPV and Arrow. To induce the Conduit Investors, Alternate Investors, the Funding Agents and the Administrative Agent to enter into this Amendment, the SPV and Arrow each makes the following representations and warranties (which representations and warranties shall survive the execution and delivery of this Amendment) as of the date hereof and, after giving effect to the amendments set forth herein as of the Effective Date:

Section 2.1. Authority. The SPV and Arrow each has the requisite corporate power, authority and legal right to execute and deliver this Amendment and to perform its obligations hereunder and under the Transaction Documents, including the TAA (as modified hereby). The execution, delivery and performance by the SPV and Arrow of this Amendment and their performance of the Transaction Documents, including the TAA (as modified hereby), have been duly approved by all necessary corporate action and no other corporate proceedings are necessary to consummate such transactions.

Section 2.2. Enforceability. This Amendment has been duly executed and delivered by the SPV and Arrow. This Amendment is the legal, valid and binding obligation of the SPV and Arrow, enforceable against the SPV and Arrow in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally and the application of general principles of equity (regardless of whether considered in a proceeding at law or in equity). The making and delivery of this Amendment and the performance of the TAA, as amended by this Amendment, do not violate any provision of law or any regulation (except to the extent that the violation thereof could not, in the aggregate, be expected to have a Material Adverse Effect or a material adverse effect on the condition (financial or otherwise), business or properties of Arrow and the other Originators, taken as a whole), or its charter or by-laws, or result in the breach of or constitute a default under or require any consent under any indenture or other agreement or instrument to which it is a party or by which it or any of its properties may be bound or affected.

Section 2.3. Representations and Warranties. The representations and warranties contained in the Transaction Documents are true and correct on and as of the date hereof and the Effective Date, as applicable, as though made on and as of such date after giving effect to this Amendment, except for representations and warranties made by the SPV or Arrow expressly stated to relate to an earlier date, in which case such representations and warranties are true and correct as of such earlier date.

Section 2.4. No Termination Event. After giving effect to this Amendment, no event has occurred and is continuing that constitutes a Termination Event or a Potential Termination Event.

SECTION 3. Conditions Precedent: Amendment. This Amendment shall become effective, as of the date hereof, on the date (the "Effective Date") on which the Administrative Agent shall have received counterparts of this Amendment, duly executed by each of the parties hereto.

SECTION 4. Fees and Expenses. Each Funding Agent upon giving affect to this Amendment shall have received for the benefit of itself and its Investors payment in full of such fees and reimbursement of such expenses as may be due and payable by the SPV to such Funding Agent and Investor in connection with this Amendment.

SECTION 5. Payment of Fees and Expenses. The SPV agrees to pay all fees and expenses (including attorney's fees and expenses) as may be due and payable by the SPV to the Administrative Agent pursuant to Section 9.4 of the TAA in connection with this Amendment.

SECTION 6. References to and Effect on the Transaction Documents.

Section 6.1. Except as specifically amended and modified hereby, each Transaction Document is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

Section 6.2. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Investor, Funding Agent or the Administrative Agent under any Transaction Document, nor constitute a waiver, amendment or modification of any provision of any Transaction Document, except as expressly provided in Section 1 hereof.

Section 6.3. This Amendment contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.

Section 6.4. Each reference in the TAA to "this Agreement", "hereunder", "hereof" or words of like import, and each reference in any other Transaction Document to "the Transfer and Administration Agreement", "thereunder", "thereof" or words of like import, referring to the Agreement, shall mean and be a reference to the Agreement as amended hereby.

SECTION 7. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telefacsimile, electronic mail, portable document format (PDF) or similar means shall be effective as delivery of a manually executed counterpart of this Amendment.

SECTION 8. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 9. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT O OTHERWISE, AMONG ANY OF THEM ARISING OUT OF, CONNECTED WITH, RELATING TO OR INCIDENTAL TC THE RELATIONSHIP BETWEEN THEM IN CONNECTION WITH THIS AMENDMENT OR ANY OTHER TRANSACTION DOCUMENT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Arrow Electronics Funding Corporation,
as SPV

By: /s/ Terry Rasmussen
Name: Terry Rasmussen
Title: Asst. Treasurer

Arrow Electronics, Inc.,
individually and as Master Servicer

By: /s/ Gregory A. Hanson
Name: Gregory A. Hanson
Title: Vice President and Treasurer

Bank of America, National Association,
as a Funding Agent, as Administrative Agent, and as an Alternate Investor

By: /s/ Brendan Feeney
Name: Brendan Feeney
Title: Vice President

Liberty Street Funding LLC,
as a Conduit Investor

By: /s/ Jill A. Russo
Name: Jill A. Russo
Title: Vice President

The Bank of Nova Scotia,
as a Funding Agent and as an Alternate Investor

By: /s/ Christopher Usas
Name: Christopher Usas
Title: Director

Gotham Funding Corporation,
as a Conduit Investor
By: /s/ David V. DeAngelis
Name: David V. DeAngelis
Title: Vice President

The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch,
as a Funding Agent
By: /s/ Richard Gregory Hurst
Name: Richard Gregory Hurst
Title: Director

The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch,
as an Alternate Investor
By: /s/ Kenneth Egusa
Name: Kenneth Egusa
Title: Vice President

Wells Fargo Bank, N.A.,
as a Funding Agent and as an Alternate Investor

By: /s/ William P. Rutkowski
Name: William P. Rutkowski
Title: Vice President

Bryant Park Funding LLC, as Conduit Investor

By: /s/ Damian A. Perez
Name: Damian A. Perez
Title: Vice President

HSBC Securities (USA) Inc., as Funding Agent

By: /s/ Richard A. Burke
Name: Richard A. Burke
Title: Managing Director

HSBC Bank plc, as Alternate Investor

By: /s/ David McCan
Name: David McCan
Title: Associate Director

Working Capital Management Co., L.P., as Conduit Investor

By: /s/ Shinichi Nochiide
Name: Shinichi Nochiide
Title: Attorney In Fact

Mizuho Corporate Bank, Ltd., as Funding Agent and Alternate Investor

By: /s/ Bertram H. Tang
Name: Bertram H. Tang
Title: Authorized Signatory

Exhibit 10(p)

Settlement Agreement

between

1. **Arrow Electronics Inc.**, 50 Marcus Drive, Melville, New York, USA ("**Arrow**")

- on one side -

and

2. **E.ON SE**, E.ON Platz 1, 40476 Düsseldorf, Germany ("**E.ON**"),

and

3. **VEBA Electronics LLC**, 2751 Centerville Road, Suite 231, 19808 Wilmington, DE, USA ("**VEBA**")

- on the other side -

- Arrow, E.ON and VEBA together the "**Parties**" -

Preamble

(1) By sale and purchase agreement of August 7, 2000 Arrow purchased the VEBA electronic distribution group from VEBA, VEBA Electronics GmbH, EBV Verwaltungs GmbH i.L., Viterra Grundstücke Verwaltungs GmbH, VEBA Electronics Beteiligungs GmbH, VEBA Electronics (UK) Plc and Raab Karcher Electronics Systems Plc (jointly " **Sellers**") (the sale and purchase agreement hereinafter "**SPA 2000**"). E.ON was party to the SPA 2000 and as co-debtor assumed joint and several liability for all obligations and liabilities incurred or assumed by the Sellers under the SPA 2000.

(2) In 2005, Arrow filed an action against E.ON as co-debtor in respect of the environmental indemnity set out in Section 7.14 of the SPA 2000, certain indemnities set out in Section 7.10(b) and (d) of the SPA 2000 and the tax covenants set out in Section 9.5(a) of the SPA 2000 ("**Principal Action**"). E.ON filed its statement of defense as of 18 March 2009. Simultaneously VEBA joined the proceedings on E.ON's side, set-off with claims against Arrow based on Section 9.3, 9.4 and 9.10(a) of the SPA 2000 and filed a cross-claim against Arrow ("**Cross Action**"). Both, the Principal Action and the Cross Action are currently pending with the District Court of Frankfurt am Main, Ref.: 3-01 O 123/05 (" **Law Suit**"). Due to ongoing settlement negotiations between the Parties the proceeding was suspended by resolution of the District Court of Frankfurt am Main dating July 2, 2009.

(3) Arrow, on the one hand, and E.ON and VEBA (collectively, the "Defendants"), on the other hand, wish to settle the Law Suit and come to a final agreement relating to their mutual rights and obligations under the SPA 2000.

Now, therefore, Arrow, E.ON and VEBA agree as follows:

Section 1

Settlement Payment

Defendants shall pay to Arrow, in settlement of any and all of its claims as further specified in Section 2 Subsection 1, a lump-sum of $ 110 million (in words: one hundred ten million) which amount includes interest. The payment shall be wire transferred to Arrow's account free and clear of any costs and deductions within five banking days after signature of this Settlement Agreement.

Section 2
Settlement Effect

(1) Upon receipt of the payment pursuant to Section 1 and subject to the rights and obligations of the Parties hereto expressly set out in this Settlement Agreement, any and all mutual claims, regardless of their legal nature, whether past, present or future, known or unknown, of the Parties to this Settlement Agreement arising out of or in connection with the SPA 2000 including but not limiting any claims pursuant to Section 7.14, 7.10 (b) and (d) and Section 9.5 (a) of the SPA 2000, are finally and irrevocably settled and disposed of.

(2) Arrow shall retain all past and future insurance recoveries for environmental and other liabilities it incurs, and shall further retain all rights under all past and future insurance policies of Arrow (including Sellers' former insurance policies to which Arrow succeeded), including without limitation insurance coverage for environmental and other liabilities.

Section 3
Indemnity

(1) Arrow shall indemnify and hold harmless Defendants against any and all claim amounts, costs and expenditures arising out of or in connection with administrative proceedings or third party claims whatsoever relating to environmental pollutions or other environmental conditions or any consequences resulting therefrom actually or allegedly stemming from any activities, acts or omissions conducted on or related to the properties located in Norco, California, 1841 Hillside Avenue, Huntsville, Alabama, 7800 Governors Drive West and El Segundo, California, 225 Aviation Blvd ("**Indemnifiable Claims**") unless and to the extent

a) Defendants have received or been served with any written statement or assertion of Indemnifiable Claims prior to conclusion of this Settlement Agree-ment other than claims which have also been asserted against Arrow; and

b) Present Members of the management boards of the Defendants are aware of Sellers having assumed, undertaken, provided, or otherwise became subject to any contractual indemnity with respect to any Indemnifiable Claim.

(2) Defendants shall notify Arrow of the assertion of any Indemnifiable Claim (and provide copies of all documents received in connection therewith) as soon as reasonably practicable, but in no event later than 30 days after Defendants acquire knowledge of the basis for the claim for indemnification.

(3) Arrow shall assume and control the defense of any Indemnifiable Claim which includes the right to select and instruct counsel, and promptly apprise the Defendants of all material events and developments. Any legal remedy, acknowledgement or settlement of an Indemnifiable Claim require the prior approval of the Defendants which shall not unreasonably be withheld. Upon request of Defendants Arrow shall provide at any time further and detailed information about any defense conducted by Arrow.

(4) Defendants agree to assign to Arrow their rights under any insurance policies under which they are or may be insured for any Indemnifiable Claim and to assign to Arrow their rights against any third party for contribution, apportionment or reimbursement for liability with respect to any Indemnifiable Claim.

(5) Defendants agree to fully cooperate in the defense of any Indemnifiable Claim and the prosecution by Arrow of any claim asserting any rights assigned pursuant to subsection (4), and to make all files, witnesses and any information in its possession or control available for such purpose to the extent necessary and reasonably accessible.

(6) Any breach of the Defendants' obligations pursuant to subsection (2), (4) or (5) which materially prejudices the defense of an Indemnifiable Claim shall reduce Arrow's indemnity obligation under paragraph (1) to the extent such breach becomes a cause for the respective Indemnifiable Claim to be successful.

Section 4
Third Party Beneficiaries

This Settlement Agreement shall inure to the benefit of the Sellers and their respective successors and assigns as third party beneficiaries.

Section 5

Termination of the Law Suit

(1) Within one week after receipt of the payment pursuant to Section 1 Arrow shall file a brief to the District Court of Frankfurt am Main resuming the suspended proceeding and withdrawing the Principal Action against E.ON. E.ON shall declare its consent with the withdrawal vis-á-vis the District Court of Frankfurt am Main within one week after service of Arrow's withdrawal brief.

(2) VEBA shall withdraw the Cross Action against Arrow within one week after service of Arrow's withdrawal brief mentioned in paragraph 1. Arrow shall declare its consent with the withdrawal vis-á-vis the District Court of Frankfurt am Main within one week after service of VEBA's withdrawal brief.

Section 6

Costs

(1) Arrow shall bear the court costs of the Law Suit. Any refunds of advanced costs shall be for the benefit of Arrow.

(2) Each Party shall bear its own out-of-court costs and expenditures, including all legal fees and expenses incurred by such party.

(3) None of the Parties hereto shall apply for any cost reimbursement pursuant to Section 269 paragraph 3 sentence 2, paragraph 4 German Code of Civil Procedure (*ZPO*).

Section 7

Miscellaneous

(1) **Amendments**. No amendment or variation of the terms or provisions of this Settlement Agreement, including this clause, shall be valid unless made in writing and signed by each of the Parties.

(2) **Agreement Binding on Successors**. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and assigns.

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(3) **Confidentiality.** The terms of this Settlement Agreement shall be confidential and shall not be disclosed except:

(a) pursuant to court order or otherwise as required by a court or by law provided that, if a Party learns that disclosure is being sought or may occur under this paragraph, that Party shall provide written notice as soon as practicable to the other Parties after learning of the potential for disclosure;

(b) in Arrow's action against a number of insurance companies styled *Arrow Electronics, Inc. v. Aetna Casualty & Surety, et al.*, currently pending in the California Superior Court, Case No. BC342044, or in any future action by or against Arrow concerning the Norco, California or Huntsville, Alabama sites;

(c) in an action among the Parties regarding enforcement of the terms of this Settlement Agreement;

(d) by agreement in writing, fully executed by the Parties hereto;

(e) to any subsidiary, affiliate or parent company of the Parties;

(f) as required by each Party to satisfy any disclosure or reporting obligations, including but not limited to issuing a press release or making any regulatory filings or

(g) by the Parties to their respective auditors, counsel and accountants after advising same of the confidentiality provision of this paragraph and receiving their commitment to be bound by the terms of this paragraph.

The Parties shall cooperate and use reasonable efforts to protect the terms of this Settlement Agreement from disclosure. Should a court order the disclosure of any of the information or materials covered by this Settlement Agreement to any other person or entity, the Parties shall use reasonable efforts to maintain such information and materials under seal.

(4) **Governing Law.** This Settlement Agreement is subject to German law and German law shall apply to any disputes resulting from or in connection with this Settlement Agreement, however in any case

under exclusion of German conflict of laws rules. The place of performance and jurisdiction is exclusively Frankfurt am Main.

(5) **Severability.** If a provision of this Settlement Agreement is or becomes fully or partially ineffective or inoperable, or if a gap is discovered while implementing this Settlement Agreement, the remaining provisions shall not be affected thereby. An appropriate and legally permissible provision that economically comes closest to what the intentions of the Parties would have been had they considered the ineffectiveness, inoperability or the gap shall replace the ineffective, inoperable or missing provision.

(6) **Construction.** The Parties acknowledge that this Settlement Agreement has been negotiated by all Parties thereto, and shall not be construed in accordance with any rule mandating that contracts be interpreted against the drafting party.

(7) **No Representations.** The Parties each acknowledge that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by them, or anyone acting on their behalf, which are not embodied in this Settlement Agreement, and that they have not executed this Settlement Agreement in reliance upon any representation, inducement, promise, agreement, warranty, fact or circumstance, not expressly set forth in this Settlement Agreement.

(8) **No Admissions.** It is understood and agreed by the Parties that this Settlement Agreement represents a compromise settlement of disputed claims. It is expressly understood and agreed by the Parties that this agreement is not to be construed as an admission of liability on the part of any of the Parties, and that the Parties expressly deny any liability for any injury, damage or contractual obligation of any kind or nature to each other.

(9) **Section Headings.** The section and paragraph headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Settlement Agreement.

(10) **Counterparts.** This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

(11) **Signatures.** A signature transmitted by facsimile or scanned and transmitted electronically shall be as valid as an original signature and shall be binding upon the individual whose signature is contained thereon.

(12) **Authority to Sign.** Each individual signing this Settlement Agreement represents and warrants that he or she has been authorized to do so by the party on whose behalf he or she has signed.

(13) **Voluntary and Knowing.** The Parties acknowledge that they have carefully read this entire Settlement Agreement, that they have been given the opportunity to consult with their own legal counsel with respect to the matters encompassed by this Settlement Agreement, that they have obtained and considered the advice of such legal counsel, and that they are voluntarily and freely entering into this Settlement Agreement.

(6) **Notices.** All notices or other communications which any Party desires or is required to give under this Settlement Agreement shall be given in writing by email and overnight mail as follows:

Notice to Arrow shall be given to:

Gregory T. Heyman, Esq.
Arrow Electronics, Inc.
50 Marcus Drive
Melville, NY 11747

Notice to E.ON and VEBA shall be given to:

Karl-Heinz Feldmann
E.ON SE
E.ON Platz 1
40476 Düsseldorf, Germany

The Parties may change their notification information upon fifteen (15) days written notice.

Frankfurt, 14 December 2012

Place, Date

/s/ Uwe Hornung

Uwe Hornung for Arrow

Dusseldorf, 17 December 2012

Place, Date

/s/ Matthias Blaum

for E.ON and VEBA

Exhibit 21

ARROW ELECTRONICS, INC. & SUBSIDIARIES
Organizational (Legal Entity) Structure
As of December 31, 2012

Country	State in which Incorporated or Country in which Organized
A.E. Petsche Belgium BVBA	Belgium
A.E. Petsche Canada, Inc.	Canada
A.E. Petsche Company S De RL	Mexico
A.E. Petsche Company, Inc.	Texas
A.E. Petsche SAS	France
A.E. Petsche UK Limited	United Kingdom
Achieva Components (India) Private Limited	Singapore
Achieva Components China Ltd.	Hong Kong
Achieva Components PTE Ltd.	Singapore
Achieva Components Sdn Bhd	Malaysia
Achieva Electronics PTE Ltd	Singapore
Achieva Electronics Sdn Bhd	Malaysia
Altimate Belgium BVBA	Belgium
Altimate France SAS	France
Altimate Group SA	France
Altimate Ireland Limited	Ireland
Altimate Luxembourg Sarl	Luxembourg
Altimate ND Belgium BVBA	Belgium
Altimate Netherlands B.V.	Netherlands
Altimate SND Spain SL	Spain
Altimate Spain SA	Spain
Altimate UK Distribution Limited	United Kingdom
Arrow (Shanghai) Trading Co. Ltd.	China
Arrow Altech Distribution (Pty) Ltd.	South Africa
Arrow Altech Holdings (Pty) Ltd.	South Africa
Arrow Asia Distribution Limited	Hong Kong
Arrow Asia Pac Ltd.	Hong Kong
Arrow Brasil S.A.	Brazil
Arrow Capital Solutions, Inc.	Delaware
Arrow Central Europe GmbH	Germany
Arrow Chip One Stop Holdings GK	Japan
Arrow Components (M) Sdn Bhd	Malaysia
Arrow Components (NZ)	New Zealand
Arrow Components Chile Limitada	Chile
Arrow Components Mexico S.A. de C.V.	Mexico
Arrow Components Sweden AB	Sweden
Arrow Denmark, ApS	Denmark
Arrow Eastern Europe GmbH	Germany

Country (continued)	State in which Incorporated or Country in which Organized (continued)
Arrow eCommerce B.V.	Netherlands
Arrow ECS A.S.	Czech Republic
Arrow ECS B.V.	Netherlands
Arrow ECS Baltic OU	Estonia
Arrow ECS Canada Ltd.	Canada
Arrow ECS Central GmbH	Germany
Arrow ECS d.o.o.	Croatia
Arrow ECS d.o.o.	Serbia
Arrow ECS d.o.o.	Slovenia
Arrow ECS Denmark A/S	Denmark
Arrow ECS Finland OY	Finland
Arrow ECS GmbH	Germany
Arrow ECS Internet Security AG	Austria
Arrow ECS Kft.	Hungary
Arrow ECS Ltd.	Israel
Arrow ECS Nordic A/S	Denmark
Arrow ECS Norway AS	Norway
Arrow ECS s.r.o.	Slovakia
Arrow ECS SA NV	Belgium
Arrow ECS SARL	Morocco
Arrow ECS SAS	France
Arrow ECS Services Sp.z.o.o.	Poland
Arrow ECS Sp.z.o.o.	Poland
Arrow ECS Support Center Ltd.	Israel
Arrow ECS Sweden AB	Sweden
Arrow Electronice S.R.L.	Romania
Arrow Electronics (China) Trading Co. Ltd.	China
Arrow Electronics (CI) Ltd.	Cayman Islands
Arrow Electronics (Jersey) Limited	Jersey
Arrow Electronics (S) Pte Ltd	Singapore
Arrow Electronics (Shanghai) Co. Ltd.	China
Arrow Electronics (Shenzhen) Co. Ltd.	China
Arrow Electronics (Sweden) KB	Sweden
Arrow Electronics (Thailand) Limited	Thailand
Arrow Electronics (U.K.), Inc.	Delaware
Arrow Electronics (UK) Ltd.	United Kingdom
Arrow Electronics ANZ Holdings Pty Ltd.	Australia
Arrow Electronics Asia (S) Pte Ltd.	Singapore
Arrow Electronics Asia Limited	Hong Kong
Arrow Electronics Australia Pty, Ltd.	Australia
Arrow Electronics B.V.	Netherlands
Arrow Electronics Canada Ltd.	Canada
Arrow Electronics China Ltd.	Hong Kong
Arrow Electronics Czech Republic s.r.o.	Czech Republic

Country (continued)	State in which Incorporated or Country in which Organized (continued)
Arrow Electronics d.o.o.	Slovenia
Arrow Electronics Danish Holdings ApS	Denmark
Arrow Electronics Distribution (Shanghai) Co. Ltd.	China
Arrow Electronics EMEASA S.r.l.	Italy
Arrow Electronics Estonia OU	Estonia
Arrow Electronics Europe, LLC	Delaware
Arrow Electronics Funding Corporation	Delaware
Arrow Electronics GmbH & Co. KG	Germany
Arrow Electronics Hellas S.A.	Greece
Arrow Electronics Holdings Asset Management, Kft	Hungary
Arrow Electronics Holdings Pty Ltd.	Australia
Arrow Electronics Hungary Kereskedelmi BT	Hungary
Arrow Electronics India Ltd.	Hong Kong
Arrow Electronics India Private Limited	India
Arrow Electronics International Holdings, LLC	Delaware
Arrow Electronics International, Inc.	Delaware
Arrow Electronics Italia S.r.l.	Italy
Arrow Electronics Japan GK	Japan
Arrow Electronics Korea Limited	South Korea
Arrow Electronics Labuan Pte Ltd.	Malaysia
Arrow Electronics Mexico, S. de R.L. de C.V.	Mexico
Arrow Electronics Norwegian Holdings AS	Norway
Arrow Electronics Poland Sp.z.o.o.	Poland
Arrow Electronics Real Estate Inc.	New York
Arrow Electronics Russ OOO	Russia
Arrow Electronics Services, S.r.l.	Italy
Arrow Electronics Slovakia s.r.o.	Slovakia
Arrow Electronics South Africa LLP	South Africa
Arrow Electronics Taiwan Ltd.	Taiwan
Arrow Electronics UK Holding Ltd.	United Kingdom
Arrow Electronics Ukraine, LLC	Ukraine
Arrow Electronics, Inc.	New York
Arrow Electronics, Ltd.	United Kingdom
Arrow Elektronik Ticaret, A.S.	Turkey
Arrow Enterprise Computing Solutions Ltd.	United Kingdom
Arrow Enterprise Computing Solutions, Inc.	Delaware
Arrow Enterprise Computing Solutions, S.A.	Spain
Arrow Finland OY	Finland
Arrow France, S.A.	France
Arrow Global Asset Disposition, Inc.	Delaware
Arrow Holdings (Delaware) LLC	Delaware
Arrow Iberia Electronica Lda.	Portugal
Arrow Iberia Electronica, S.L.U.	Spain
Arrow International Holdings L.P.	Cayman Islands

Country (continued)	State in which Incorporated or Country in which Organized (continued)
Arrow Nordic Components AB	Sweden
Arrow Northern Europe Ltd.	United Kingdom
Arrow Norway A/S	Norway
Arrow SEED (Hong Kong) Limited	Hong Kong
Arrow/Components Agent Ltd.	Hong Kong
Arrow/Rapac, Ltd.	Israel
ARW Electronics, Ltd.	Israel
ARW Portugal LDA	Portugal
Asplenium SA	France
B.V. Arrow Electronics DLC	Netherlands
Beijing Arrow SEED Technology Co. Ltd	China
Broomco (4184) Limited	United Kingdom
Centia Group Ltd.	United Kingdom
Centia Ltd.	United Kingdom
Chip One Stop (Hong Kong) Ltd.	Hong Kong
Chip One Stop International Pte Ltd.	Singapore
Chip One Stop, Inc.	Japan
Components Agent (Cayman) Limited	Cayman Islands
Components Agent Asia Holdings, Ltd.	Mauritius
Converge (Shanghai) International Trading Co., Ltd.	China
Converge Asia Pte, Ltd.	Singapore
Converge Electronics Trading (India) Private Ltd.	India
Converge France SAS	France
Converge Netherlands BV	Netherlands
Converge Scandinavia AB	Sweden
Dicopel, Inc.	California
Distrilogie Netherlands B.V.	Netherlands
Distrilogie Portugal Sociedade Unipessoal, Lda.	Portugal
Elko C.E., S.A.	Argentina
Erf 211 Hughes (Pty) Limited	South Africa
Eshel Technology Group, Inc.	California
ETEQ Components PTE Ltd.	Singapore
Eurocomponentes, S.A.	Argentina
Excel Tech, Inc.	South Korea
Finovia SAS	France
Flection Belgium BVBA	Belgium
Flection Czech Republic SRO	Czech Republic
Flection France SAS	France
Flection Germany GmbH	Germany
Flection Group B.V.	Netherlands
Flection Netherlands B.V.	Netherlands
Flection United Kingdom Ltd.	United Kingdom
Intex-semi Ltd.	Hong Kong
IPVista A/S	Denmark

Country (continued)	State in which Incorporated or Country in which Organized (continued)
Jacob Hatteland Electronic II AS	Norway
Lite-On Korea, Ltd.	South Korea
Macom, S.A.	Argentina
Marubun/Arrow (HK) Ltd	Hong Kong
Marubun/Arrow (M) Sdn. Bhd (Malaysia)	Malaysia
Marubun/Arrow (Philippines) Inc.	Philippines
Marubun/Arrow (S) Pte Ltd.	Singapore
Marubun/Arrow (Shanghai) Co., Ltd.	China
Marubun/Arrow (Thailand) Co., Ltd.	Thailand
Marubun/Arrow Asia Ltd.	BVI
Marubun/Arrow USA, LLC	Delaware
Microtronica Ltd.	United Kingdom
Multichip Ltd.	United Kingdom
New Tech Electronics Pte. Ltd.	Singapore
Nextworth Solutions, Inc.	Delaware
NIC Components Asia PTE Ltd.	Singapore
NIC Components Corp.	New York
NIC Components Europe Limited	United Kingdom
NIC Eurotech Limited	United Kingdom
Nu Horizons Electronics (Shanghai) Co., Ltd.	China
Nu Horizons Electronics A/S	Denmark
Nu Horizons Electronics Asia PTE Ltd.	Singapore
Nu Horizons Electronics Corp.	Delaware
Nu Horizons Electronics Europe Limited	United Kingdom
Nu Horizons Electronics Hong Kong Ltd.	Hong Kong
Nu Horizons Electronics Limited	United Kingdom
Nu Horizons Electronics Malaysia SDN BHD	Malaysia
Nu Horizons Electronics Mexico S.A. de C.V.	Mexico
Nu Horizons Electronics NZ Limited	New Zealand
Nu Horizons Electronics Pty Ltd.	Australia
Nu Horizons Electronics Services Mexico S.A. de C.V.	Mexico
Nu Horizons International Corp.	New York
NUH Electronics India Private Limted	India
NUHC, Inc.	Canada
Pansystem S.r.l.	Italy
PCG Parent Corp.	Delaware
PCG Trading, LLC	Delaware
Petsche Mexico, LLC	Texas
Power and Signal Group GmbH	Germany
Razor Electronics Asia PTE LTD	Singapore
Richardson RFPD (Malaysia) Sdn Bhd	Malaysia
Richardson RFPD (Thailand) Limited	Thailand
Richardson RFPD Australia Pty. Ltd.	Australia
Richardson RFPD Canada, Inc.	Canada

Country (continued)	State in which Incorporated or Country in which Organized (continued)
Richardson RFPD Electronics Trading (Shanghai) Co., Ltd.	China
Richardson RFPD France SAS	France
Richardson RFPD Germany GmbH	Germany
Richardson RFPD Hong Kong Limited	Hong Kong
Richardson RFPD Israel Ltd.	Israel
Richardson RFPD Italy Srl	Italy
Richardson RFPD Japan KK	Japan
Richardson RFPD Korea Ltd.	South Korea
Richardson RFPD Netherlands BV	Netherlands
Richardson RFPD Productos de Informatica, Ltda.	Brazil
Richardson RFPD Singapore Pte., Ltd.	Singapore
Richardson RFPD Spain SL	Spain
Richardson RFPD Sweden AB	Sweden
Richardson RFPD Taiwan Ltd.	Taiwan
Richardson RFPD UK Ltd.	United Kingdom
Richardson RFPD, Inc.	Delaware
S3 Dedicated Services, LLC	Delaware
S3 Managed Services, LLC	Delaware
Schuylkill Metals of Plant City, Inc.	Delaware
Shared Solutions and Services, Inc.	Delaware
SiliconEgypt Technologies, LLC	Egypt
SiliconExpert Holdings LLC	Delaware
SiliconExpert Technologies, Inc.	California
Sphinx CST Limited	United Kingdom
Sphinx CST Networks Limited	United Kingdom
Sphinx Group Limited (UK)	United Kingdom
Sphinx Professional Services Limited	United Kingdom
Spoerle Hungary Kereskedelmi Kft	Hungary
Titan Supply Chain Services Limited	United Kingdom
Titan Supply Chain Services, Pte Ltd.	Singapore
TLW Electronics, Ltd.	Hong Kong
Transim Technology Corporation	California
Ultra Source (Hong Kong) Trading Limited	Hong Kong
Ultra Source Technology Corp.	Taiwan
Universe Electron Corporation	Japan
Verwaltungsgesellschaft Arrow Electronics GmbH	Germany
Wyle Electronics Caribbean Corp.	Puerto Rico
Wyle Electronics de Mexico S de R.L. de C.V.	Mexico

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements:

1. Registration Statement (Form S-3 No. 333-184225) and related prospectus
2. Registration Statement (Form S-8 No. 333-45631)
3. Registration Statement (Form S-8 No. 333-101534)
4. Registration Statement (Form S-8 No. 333-118563)
5. Registration Statement (Form S-8 No. 333-154719)
6. Registration Statement (Form S-8 No. 333-184671)

of our reports dated February 7, 2013, with respect to the consolidated financial statements and schedule of Arrow Electronics, Inc., and the effectiveness of internal control over financial reporting of Arrow Electronics, Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2012.

/s/ ERNST & YOUNG LLP

New York, New York
February 7, 2013

Exhibit 31(i)

Arrow Electronics, Inc.
Certification of Chief Executive Officer Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Michael J. Long, certify that:

1. I have reviewed this Annual Report on Form 10-K of Arrow Electronics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2013

By: /s/ Michael J. Long
Michael J. Long
Chairman, President, and Chief Executive Officer

Exhibit 31(ii)

Arrow Electronics, Inc.
Certification of Chief Financial Officer Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Paul J. Reilly, certify that:

1. I have reviewed this Annual Report on Form 10-K of Arrow Electronics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2013

By: /s/ Paul J. Reilly
Paul J. Reilly
Executive Vice President, Finance and Operations,
and Chief Financial Officer

Exhibit 32(i)

Arrow Electronics, Inc.
Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (“Section 906”)

In connection with the Annual Report on Form 10-K of Arrow Electronics, Inc. (the "company") for the year ended December 31, 2012 (the "Report"), I, Michael J. Long, Chairman, President, and Chief Executive Officer of the company, certify, pursuant to the requirements of Section 906, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the company.

Date: February 7, 2013

By: /s/ Michael J. Long
Michael J. Long
Chairman, President, and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the company and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(ii)

Arrow Electronics, Inc.
Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (“Section 906”)

In connection with the Annual Report on Form 10-K of Arrow Electronics, Inc. (the "company") for the year ended December 31, 2012 (the "Report"), I, Paul J. Reilly, Executive Vice President, Finance and Operations, and Chief Financial Officer of the company, certify, pursuant to the requirements of Section 906, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the company.

Date: February 7, 2013

By: /s/ Paul J. Reilly
Paul J. Reilly
Executive Vice President, Finance and
Operations, and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the company and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.