

**Arrow Electronics, Inc.  
Audit Committee Charter  
December 14, 2004**

The Audit Committee, a committee of the Board of Directors of Arrow Electronics, Inc., represents and assists the Board by overseeing the Corporation's financial statements and internal controls; compliance with legal and regulatory requirements; the independent auditor's qualifications and independence; and the performance of the Corporation's internal audit function and the independent auditor.

The Audit Committee shall consist of three or more directors as may be fixed from time to time by the Board of Directors, each of whom, in the judgment of the Board, shall be independent in accordance with New York Stock Exchange listing standards and other applicable regulations. Each member shall, in the judgment of the Board, have the ability to read and understand the Corporation's basic financial statements. At least one member of the Committee shall, in the judgment of the Board, be an audit committee financial expert in accordance with the rules and regulations of the Securities and Exchange Commission, and at least one member (who may also serve as the audit committee financial expert) shall, in the judgment of the Board, have accounting or related financial management expertise in accordance with New York Stock Exchange listing standards. Committee members and the Committee's Chairman shall be appointed by the Board. The Board may remove a Committee member from the Committee at any time with or without cause, and may fill any vacancy created on the Committee.

The Audit Committee shall have the following duties and responsibilities:

### **1. Meetings**

To meet at least five times each year and at such other times as it deems necessary to fulfill its responsibilities. The Committee shall periodically meet separately, in executive session, with management, the internal auditor and the independent auditor.

To permit meeting attendance by telephone or other means which allows the members to effectively interact with one another and fully discuss proposed actions, as permitted by the Board.

To enable a majority of the Committee members to be a quorum for the transaction of business. The action of a majority of those present at the meeting at which a quorum is present will be the act of the Committee.

### **2. Independent Auditor Provisions**

To select and retain (subject to approval by the Corporation's shareholders), and terminate when appropriate, the independent auditor; set the independent auditor's compensation; and pre-approve all audit services to be provided by the independent auditor.

To pre-approve all permitted non-audit services to be performed by the independent auditor and establish policies and procedures for the engagement of the independent auditor to provide permitted non-audit services.

To, at least annually, consider the independence of the independent auditor, including whether the provision by the independent auditor of permitted non-audit services is compatible with independence, and obtain and review a report from the independent auditor describing all relationships between the auditor and the Corporation.

### **3. Policies and Procedures**

To receive and review: a) a report by the independent auditor describing the independent auditor's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditing firm, or by any inquiry or investigation by government or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and b) other required reports from the independent auditor.

To review with the independent auditor: a) the scope and results of the audit; b) any problems or difficulties that the auditor encountered in the course of the audit work, and management's response; and c) any questions, comments or suggestions the auditor may have relating to the internal controls, and accounting practices and procedures, of the Corporation or its subsidiaries.

To review, at least annually, the scope and results of the internal audit program, including then current and future programs of the Corporation's Internal Audit Department, procedures for implementing accepted recommendations made by the independent auditor, and any significant matters contained in reports from the Internal Audit Department.

To review the appointment and replacement of the senior internal audit executive.

To review with the independent auditor, the Corporation's Internal Audit Department, and management: a) the adequacy and effectiveness of the systems of internal controls (including any significant deficiencies and significant changes in internal controls reported to the Committee by the independent auditor or management), accounting practices, and disclosure controls and procedures (and management reports thereon), of the Corporation and its subsidiaries; and b) current accounting trends and developments, and take such action with respect thereto as may be deemed appropriate.

To discuss Corporation policies with respect to risk assessment and risk management, and review contingent liabilities and risks that may be material to the Corporation and major legislative and regulatory developments that could materially impact the Corporation's contingent liabilities and risks.

To review: a) the status of compliance with laws, regulations, and internal procedures; and b) the scope and status of systems designed to promote Corporation compliance with laws, regulations and internal procedures, through receiving reports from management, legal counsel and third parties as determined by the Committee.

To establish procedures for confidential and anonymous receipt, retention and treatment of complaints regarding the Corporation's accounting, internal controls and auditing matters.

To establish policies for the hiring of employees and former employees of the independent auditor.

#### **4. Financial Statements**

To review with management and the independent auditor the annual and quarterly financial statements of the Corporation, including: a) the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations"; b) any material changes in accounting principles or practices used in preparing the financial statements prior to the filing of a report on Form 10-K or 10-Q with Securities and Exchange Commission; and c) the items required by Statement of Auditing Standards 61 as in effect at that time in the case of the annual statements and Statement of Auditing Standards 71 as in effect at that time in the case of the quarterly statements.

To recommend to the Board, based on the review described in paragraphs above, whether the financial statements should be included in the annual report on Form 10-K.

To review earnings press releases, as well as the Corporation's policies with respect to earnings press releases, financial information and earnings guidance provided to analysts and rating agencies.

#### **5. Delegation of Authority**

To delegate authority from time to time to a subcommittee of one or more members, when appropriate and in accordance with applicable rules and regulations.

#### **6. Annual Report**

To prepare a report each year for inclusion in the Corporation's proxy statement.

#### **7. Committee Resources**

To obtain the advice and assistance, as appropriate, of independent counsel and other advisors as necessary to fulfill the responsibilities of the Committee.

## **8. Reporting**

To report regularly to the Board with respect to the Committee's actions and make recommendations to the Board as appropriate.

## **9. Performance Evaluation**

To conduct an annual performance evaluation of the Committee.

## **10. Delegation of Authority**

To delegate authority from time to time to a subcommittee of one or more members, when appropriate and in accordance with applicable rules and regulations.

## **11. Committee Charter**

To review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for consideration and approval.

## **12. Other Activities**

To perform other activities consistent with this Charter, Corporation by-laws and applicable law, as the Committee deems appropriate or as requested by the Board.