

Arrow Electronics, Inc.
Compensation Committee Charter
September 21, 2004

The Compensation Committee, appointed by the Board of Directors of Arrow Electronics, Inc., makes recommendations to the Board relating to compensation and benefits of the Corporation's executive officers. It also produces an annual report on executive compensation for inclusion in the Corporation's annual proxy statement, in accordance with applicable rules and regulations.

The Committee shall consist of a minimum of three outside directors as may be fixed from time to time by the Board, each of whom shall satisfy the applicable independence requirements of the New York Stock Exchange and any other applicable rules and regulations. Committee members and the Committee's Chairperson shall be appointed by the Board. The Board may remove a Committee member from the Committee at any time with or without cause, and the Board may fill any vacancies created on the Committee.

The Committee shall have the following duties and responsibilities and the necessary power and authority, including budgetary and fiscal authority, to carry out such duties and responsibilities:

1. Meetings

To regularly hold Committee meetings. Special Committee meetings can be called by the Committee Chairperson, a majority of the members of the Committee, the Chairman of the Board, or by a majority of the Board.

To invite executives, management representatives, third-party service providers, and others, as needed and requested by the Committee, to attend the general executive session portions of each meeting. However, it is the Committee's intent to maintain regular executive sessions at which executives, management representatives, third-party service providers, and other non-Committee members generally will be excluded.

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. CEO Compensation

To review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives.

To review and approve the CEO's bonus plan (performance targets are measured against the actual to calculate the bonus).

To annually review and approve the base salary, annual incentive, stock-based awards, and retirement benefits of the CEO in consideration of external market data, the compensation history of the CEO, and the performance of the CEO to determine the appropriate compensation level and rewards to be granted.

To make recommendations regarding the bonus and compensation level of the CEO to the full Board for review and final approval.

3. Executive Compensation

To review, approve, and modify, as necessary, executive compensation, including programs, plans and awards, and benefits philosophy.

To assess the Company's competitive position using market data for each component of executive compensation (including base salary, annual incentives, long-term incentives, and retirement programs).

To review recommendations made by the CEO for the compensation of the Company's principal executives and other key employees.

4. Executive Incentive Plans

To make recommendations to the Board with respect to incentive compensation plans and equity-based plans.

To administer the Company's annual incentive plans and stock-based incentive plans.

To keep informed of the actions taken by the Management Pension and Investment Oversight Committee.

To appoint and replace the members of the Management Pension and

Investment Oversight Committee.

To meet at least annually with the Management Pension Investment and Oversight Committee to review overall retirement plan policy and Management Pension Investment and Oversight Committee's conduct of its responsibilities with respect to investment choice guidelines, fund manager selection and fund performance versus established benchmarks. The Governance Committee will further seek assurance from the Management Pension Investment and Oversight Committee that the Corporation is in compliance with all applicable governmental regulations such as the Internal Revenue Service (IRS) and the Employee Retirement Income Security Act (ERISA).

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 on Executive Compensation

To issue an annual report on executive compensation for inclusion in the Company's proxy statement, in accordance with applicable rules and regulations.

7. Performance Evaluation

To conduct an annual performance evaluation of the Committee and its members.

8. Reporting

To report periodically to the Board concerning the Committee's actions.

9. Committee Resources

To identify and use the services of a third-party provider in executing Committee duties where appropriate, and have the sole authority to retain and terminate third-party service providers, including the sole authority to approve third-party service providers' fees and other retention terms.

In addition, the Committee will review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for consideration and approval. Any

other activities consistent with this Charter, the Company's by-laws and applicable law, will be performed as the Committee deems appropriate or as requested by the Board.