

Worldwide Code of Business Conduct and Ethics Waiver

The Arrow Board of Directors has granted a waiver under the Arrow Worldwide Code of Business Conduct and Ethics (the "Arrow Code") to Mr. Germano Fanelli, an executive officer of Arrow. The waiver relates to the fact that Mr. Germano Fanelli and his family beneficially own a majority equity interest in manufacturing companies (the "related companies") that in the ordinary course of business purchase a part of their electronic components requirements from Arrow, and during 2003 purchased €4.3 million (\$4.9 million) of components from Arrow. Mr. Fanelli and his family acquired their interest in the related companies prior to his appointment as President of Arrow Electronics EMEASA, which appointment caused him to become an executive officer of Arrow. Prior to that appointment Mr. Fanelli served as President of Arrow Southern Europe. Mr. Fanelli informed Arrow management at the time he first intended to make an investment in the related companies and received management's consent to his doing so. He also consulted with management at the time he increased his shareholding to a majority position, to which management also agreed. Mr. Fanelli does not have any management responsibility in any of the related companies and has undertaken that he will not do so for so long as he remains an Arrow executive officer.

Arrow has reviewed the transactions with the related companies and has confirmed that the purchases are on terms and conditions not less favorable to Arrow than Arrow generally obtains from unrelated comparable customers. On the basis of the foregoing, the Board concluded that the conflict was apparent rather than actual. The Board also noted that the sales to the related company are immaterial in comparison to Arrow's consolidated sales of \$8.68 billion for 2003. (The Arrow Code does not contain a materiality standard with respect to conflicts of interest so as to ensure that the decision as to whether the conflict is material rests with management or, in the case of an executive officer or director, with the Board of Directors rather than with the individual involved.)