
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 June 30, 2018
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 1-4224

Avnet, Inc.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation or organization)

11-1890605

(I.R.S. Employer Identification No.)

**2211 South 47th Street,
Phoenix, Arizona**

(Address of principal executive offices)

85034

(Zip Code)

Registrant's telephone number, including area code (480) 643-2000

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

Title of Each Class

Common Stock

Name of Each Exchange on Which Registered

The Nasdaq Global Select Market

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 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 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 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check
if a smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 (approximate) of the registrant's common equity held by non-affiliates based on the closing price of a share of the registrant's common stock for New York Stock Exchange composite transactions on December 29, 2017 (the last business day of the registrant's most recently completed second fiscal quarter) was \$4,696,819,462.

As of July 27, 2018, the total number of shares outstanding of the registrant's Common Stock was 115,761,361 shares, net of treasury shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement (to be filed pursuant to Reg. 14A) relating to the Annual Meeting of Shareholders anticipated to be held on November 16, 2018, are incorporated herein by reference in Part III of this Report.

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PART I

Item 1. Business

Avnet, Inc. (the “Company” or “Avnet”), is a global technology solutions company with an extensive ecosystem delivering design, product, marketing and supply chain expertise for customers at every stage of the product lifecycle. Avnet transforms ideas into intelligent solutions, reducing the time, cost and complexities of bringing products to market around the world. Founded in 1921 and incorporated in New York in 1955, the Company works with over 1,400 technology suppliers to serve 2.1 million customers in more than 140 countries.

For nearly a century, Avnet has helped its customers and suppliers realize the transformative possibilities of technology while continuously expanding the breadth and depth of its capabilities. Today, as technologies like the Internet of Things (“IoT”) continue to increase the complexity in product development, Avnet is once again redefining itself by offering everything customers need to bring their product to life through one partner. Most recently Avnet significantly enhanced its expertise in design, supply chain and logistics by acquiring the capabilities to better serve customers in the earlier stages of product development—encompassing research, prototyping and manufacturing—through the purchase of Premier Farnell (fiscal 2017), Hackster.io (fiscal 2017) and Dragon Innovation (fiscal 2018). Avnet’s ecosystem is designed to match its customers’ needs along their entire product development journey, providing both end-to-end and à la carte support options, as well as digital tools, to meet varying needs and buying preferences.

The Company operates in 125 locations spanning the Americas, Europe, Middle East and Africa (“EMEA”) and Asia/Pacific (“Asia”) regions. Because Avnet supports every stage of the product lifecycle, it serves a wide range of customers: from startups and mid-sized businesses to enterprise-level original equipment manufacturers (“OEMs”), electronic manufacturing services (“EMS”) providers and original design manufacturers (“ODMs”). Avnet works with customers of every size, in every corner of the world, to guide today’s ideas into tomorrow’s technology.

Organizational Structure

Avnet has two primary operating groups — Electronic Components (“EC”) and Premier Farnell (“PF”). Both operating groups have operations in each of the three major economic regions of the world: the Americas, EMEA and Asia. Each operating group has its own management team that includes senior executives and leadership both at the global and regional levels, who manage various functions within such businesses. Each operating group also has distinct financial reporting that is evaluated at the executive level on which operating decisions and strategic planning and resource allocation for the Company as a whole are made. Divisions (“business units”) exist within each operating group that serve primarily as sales and marketing units to further streamline the sales efforts within each operating group and enhance each operating group’s ability to work with its customers and suppliers, generally along more specific product lines or geographies. However, each business unit relies heavily on the support services provided by the operating groups as well as centralized support at the corporate level.

A description of each operating group is presented below. Further financial information by operating group is provided in Note 17 “Segment information” to the consolidated financial statements appearing in Item 15 of this Annual Report on Form 10-K.

Avnet’s foreign operations are subject to a variety of risks. These risks are discussed further under *Risk Factors* in Item 1A and under *Quantitative and Qualitative Disclosures About Market Risk* in Item 7A of this Report. Additionally, the specific translation impacts of foreign currency fluctuations, most notably the Euro and the British Pound, on the Company’s consolidated financial statements are further discussed in *Management’s Discussion and Analysis of Financial Condition and Results of Operations* in Item 7 of this Report.

Electronic Components

Avnet's EC operating group primarily supports high-volume customers. It markets, sells and provides value-added design and supply chain capabilities for semiconductors, electronic components (including interconnect, passive and electromechanical, or "IP&E," devices) and other integrated components from the world's leading electronic component manufacturers.

EC serves a variety of markets ranging from automotive to medical to defense and aerospace. It offers an array of customer support options throughout the entire product lifecycle, including both turnkey and customized design, new product introduction, production, supply chain, logistics and post-sales services.

Design Chain Solutions

EC offers design chain support that provides engineers with a host of technical design solutions, which help make it economically viable for EC's suppliers to reach a customer segment that seeks complex products and technologies. With access to a suite of design tools and engineering support from any point in the design cycle, customers can get product specifications along with evaluation kits and reference designs that enable a broad range of applications from concept through detailed design including new product introduction. EC also offers engineering and technical resources deployed globally to support product design, bill of materials development, and technical education and training. By utilizing EC's design chain support, customers can optimize their component selection and accelerate their time to market. EC's extensive product line card provides customers access to a diverse range of products from a complete spectrum of electronic component manufacturers.

Supply Chain Solutions

EC's supply chain solutions provide support and logistical services to OEMs, EMS providers and electronic component manufacturers, enabling them to optimize supply chains on a local, regional or global basis. By combining internal competencies in global warehousing and logistics, finance, information technology and asset management with its global footprint and extensive partner relationships, EC's supply chain solutions provide for a deeper level of engagement with its customers. These customers can manage their supply chains to meet the demands of a competitive global environment without a commensurate investment in physical assets, systems and personnel. With supply chain planning tools and a variety of inventory management solutions, EC provides solutions that meet a customer's just-in-time requirements and minimize risk in a variety of scenarios including lean manufacturing, demand flow and outsourcing.

Avnet Integrated

EC provides integrated solutions including technical design, integration and assembly of embedded products, systems and solutions primarily for industrial applications. EC also provides integrated solutions for intelligent embedded and innovative display solutions, including touch and passive displays. In addition, EC develops and produces standard board and industrial subsystems and application-specific devices that enable it to produce specialized systems tailored to specific customer requirements. EC serves OEMs that require embedded systems and solutions, including engineering, product prototyping, integration and other value-added services in the medical, telecommunications, industrial and digital editing markets.

Premier Farnell

Avnet's Premier Farnell ("PF") operating group supports primarily low-volume customers that need electronic components quickly to develop, prototype and test their products. It distributes a comprehensive portfolio of kits, tools,

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electronic components and industrial automation components to both engineers and entrepreneurs. PF brings the latest products, services and development trends all together in element14, an industry-leading online community where engineers collaborate to solve one another's design challenges. In element14, members get consolidated information on new technologies as well as access to experts and products. Members can see what other engineers are working on, learn from online training and get the help they need to optimize their own designs.

Acquisitions

Avnet has historically pursued business acquisitions to further its strategic objectives and support key business initiatives, completing 100 acquisitions since 1991. This acquisition program was a significant factor in Avnet becoming one of the largest value-added distributors of electronic components including integrated products and solutions. Avnet expects to continue to pursue strategic acquisitions to expand its ecosystem, market presence, increase its scale and scope, and extend its product and service offerings throughout all stages of the technology product lifecycle.

Discontinued Operations

In fiscal 2017, the Company sold the Technology Solutions ("TS") business, which was historically a reportable operating segment. With the sale of the TS business, the Company is focused on providing design and supply chain solutions specific to the electronic components industry.

See Note 3 to the Company's consolidated financial statements included in Item 15 of this Annual Report on Form 10-K for further discussion on the sale of the TS business.

Major Products

One of Avnet's competitive strengths is the breadth and quality of the suppliers whose products it distributes. Texas Instruments products accounted for approximately 11% of the Company's consolidated sales from continuing operations during fiscal 2018, 2017 and 2016, and was the only supplier from which sales of its products exceeded 10% of consolidated sales. Listed in the table below are the major product categories and the Company's approximate sales of each during the past three fiscal years. Fiscal 2016 contained 53 weeks compared to 52 weeks in the other fiscal years presented.

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
		(Millions)	
Semiconductors	\$ 14,890.9	\$ 13,537.9	\$ 13,978.0
Interconnect, passive & electromechanical (IP&E)	3,468.4	2,909.2	2,098.7
Computers	461.9	504.2	222.7
Other	215.7	488.7	441.2
Sales	<u>\$ 19,036.9</u>	<u>\$ 17,440.0</u>	<u>\$ 16,740.6</u>

Competition & Markets

The electronic components industry continues to be extremely competitive. The Company's major competitors include: Arrow Electronics, Inc., Future Electronics, World Peace Group, Mouser Electronics and Digi-Key Electronics. There are also certain smaller, specialized competitors who generally focus on narrower regions, markets, products or particular sectors. As a result of these factors, Avnet must remain competitive in its pricing of products.

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A key competitive factor in the electronic component distribution industry is the need to carry a sufficient amount of inventory to meet customers' rapid delivery requirements. To minimize its exposure related to inventory on hand, the majority of the Company's products are purchased pursuant to non-exclusive distributor agreements, which typically provide certain protections for product obsolescence and price erosion. These agreements are generally cancelable upon 30 to 180 days' notice and, in most cases, provide for or require inventory return privileges upon cancellation. In fiscal 2017, certain suppliers terminated their distribution agreements with the Company, which did not result in any significant inventory write-downs as a result of such terminations. In addition, the Company enhances its competitive position by offering a variety of value-added services, which entail the performance of services and/or customer support tailored to individual customer specifications and business needs, such as point of use replenishment, testing, assembly, supply chain management and materials management.

A competitive advantage is the breadth of the Company's supplier product line card. Because of the number of Avnet's suppliers, many customers can simplify their procurement process and make all of their required purchases from Avnet, rather than purchasing from several different distributors or other vendors.

Seasonality

Historically, Avnet's business and continuing operations has not been materially impacted by seasonality, with the exception of an impact on consolidated results from shifts in regional sales trends from Asia in the first half of a fiscal year to the Americas and EMEA regions in the second half of a fiscal year.

Number of Employees

At June 30, 2018, Avnet had approximately 15,400 employees compared to 15,700 employees at July 1, 2017, and 17,700 at July 2, 2016.

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 public may obtain information on the public reference room by calling the SEC at 1-800-SEC-0330. The Company's SEC filings are also available to the public on the SEC's website at <http://www.sec.gov> and through The Nasdaq Global Select Market ("Nasdaq"), 165 Broadway, New York, New York 10006, 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:

Avnet, Inc.
2211 South 47th Street
Phoenix, Arizona 85034
(480) 643-2000
Attention: Corporate Secretary

The Company also makes these filings available, free of charge, through its website (see "Avnet Website" below).

Avnet Website

In addition to the information about the Company contained in this Report, extensive information about the Company can be found at <http://www.avnet.com>, including information about its management team, products and services and corporate governance practices.

The corporate governance information on the Company website includes the Company's Corporate Governance Guidelines, the Code of Conduct and the charters for each of the committees of its Board of Directors. In addition, amendments to the Code of Conduct, committee charters and waivers granted to directors and executive officers under the Code of Conduct, if any, will be posted in this area of the website. These documents can be accessed at <http://www.avnet.com> under the "Company — Investor Relations — Documents & Charters" caption. Printed versions of the Corporate Governance Guidelines, Code of Conduct and charters of the Board committees can be obtained, free of charge, by writing to the Company at the address listed above in "Available Information."

In addition, the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports, if any, filed or furnished pursuant to Section 13(a) or 15(d) of Securities Exchange Act of 1934, as well as Section 16 filings made by any of the Company's executive officers or directors with respect to the Company's common stock, are available on the Company's website (<http://www.avnet.com> under the "Company — Investor Relations — SEC Filings" caption) as soon as reasonably practicable after the report is electronically filed with, or furnished to, the Securities and Exchange Commission.

These details about the Company's website and its content are only for information. The contents of the Company's website are not, nor shall they be deemed to be, incorporated by reference in this Report.

Item 1A. Risk Factors

Forward-Looking Statements and Risk Factors

This Report contains forward-looking statements with respect to the financial condition, results of operations and business of Avnet. These statements are generally identified by words like "believes," "plans," "expects," "anticipates," "should," "will," "may," "estimates" or similar expressions. Forward-looking statements are subject to numerous assumptions, risks and uncertainties. Except as required by law, Avnet does not undertake any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Factors that may cause actual results to differ materially from those contained in the forward-looking statements include those discussed below.

The factors discussed below make the Company's operating results for future periods difficult to predict and, therefore, prior results are not necessarily indicative of results to be expected in future periods. Any of the below factors, or any other factors discussed elsewhere in this Report, may have an adverse effect on the Company's financial results, operations, prospects and liquidity. The Company's operating results have fluctuated in the past and likely will continue to do so. If the Company's operating results fall below its forecasts and the expectations of public market analysts and investors, the trading price of the Company's common stock will likely decrease.

Economic weakness and geopolitical uncertainty could adversely affect the Company's results and prospects.

The Company's financial results, operations and prospects depend significantly on worldwide economic and geopolitical conditions, the demand for its products and services, and the financial condition of its customers and suppliers. Economic weakness and geopolitical uncertainty have in the past resulted, and may result in the future, in decreased sales, margins and earnings. Economic weakness and geopolitical uncertainty may also lead the Company to impair assets, including goodwill, intangible assets and other long-lived assets, take restructuring actions and reduce expenses in response

to decreased sales or margins. The Company may not be able to adequately adjust its cost structure in a timely fashion, which may adversely impact its profitability. Uncertainty about economic conditions may increase foreign currency volatility in markets in which the Company transacts business, which may negatively impact the Company's results. Economic weakness and geopolitical uncertainty also make it more difficult for the Company to manage inventory levels and/or collect customer receivables, which may result in provisions to create reserves, write-offs, reduced access to liquidity and higher financing costs.

The Company experiences significant competitive pressure, which may negatively impact its results.

The market for the Company's products and services is very competitive and subject to rapid technological advances, new market entrants, non-traditional competitors, changes in industry standards and changes in customer needs and consumption models. Not only does the Company compete with other global distributors, it also competes for customers with regional distributors and some of the Company's own suppliers that maintain direct sales efforts. In addition, as the Company expands its offerings and geographies, the Company may encounter increased competition from current or new competitors. 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 size of the Company's competitors vary across market sectors, as do the resources the Company has allocated to the sectors and geographic areas in which it does business. Therefore, some competitors may have greater resources or a more extensive customer or supplier base than the Company has in one or more of its market sectors and geographic areas, which may result in the Company not being able to effectively compete in certain markets which could impact the Company's profitability and prospects.

Changes in customer needs and consumption models could significantly affect the Company's operating results.

Changes in customer needs and consumption models may cause a decline in the Company's billings, which would have a negative impact on the Company's financial results. While the Company attempts to identify changes in market conditions as soon as possible, the dynamics of these industries make prediction of, and timely reaction to such changes difficult. Future downturns in the semiconductor and embedded solutions industries could adversely affect the Company's operating results and negatively impact the Company's ability to maintain its current profitability levels. In addition, the semiconductor industry has historically experienced periodic fluctuations in product supply and demand, often associated with changes in economic conditions, technology and manufacturing capacity. During fiscal years 2018, 2017, and 2016, sales of semiconductors represented approximately 78%, 78%, and 83% of the Company's consolidated sales, respectively, and the Company's sales closely follow the strength or weakness of the semiconductor industry.

Due to the Company's increased online sales, system interruptions and delays that make its websites and services unavailable or slow to respond may reduce the attractiveness of its products and services to its customers. If the Company is unable to continually improve the efficiency of its systems, it could cause systems interruptions or delays and adversely affect the Company's operating results.

Failure to maintain or develop new relationships with key suppliers could adversely affect the Company's sales.

One of the Company's competitive strengths is the breadth and quality of the suppliers whose products the Company distributes. However, billings of products and services from one of the Company's suppliers, Texas Instruments ("TI"), accounted for approximately 11% of the Company's consolidated billings in fiscal 2018. Management expects TI's products and services to continue to account for roughly a similar percentage of the Company's consolidated billings in fiscal 2019. The Company's contracts with its suppliers vary in duration and are generally terminable by either party at will upon notice. To the extent any primary suppliers terminate or significantly reduce their volume of business with the

Company in the future, because of a product shortage, an unwillingness to do business with the Company, changes in strategy or otherwise, the Company's business and relationships with its customers could be negatively affected because its customers depend on the Company's distribution of technology hardware and software from the industry's leading suppliers. In addition, suppliers' strategy shifts or performance issues may negatively affect the Company's financial results. The competitive landscape has also experienced a consolidation among suppliers, which could negatively impact the Company's profitability and customer base. Further, to the extent that any of the Company's key suppliers modify the terms of their contracts including, without limitation, the terms regarding price protection, rights of return, rebates or other terms that protect or enhance the Company's gross margins, it could negatively affect the Company's results of operations, financial condition or liquidity.

The Company's non-U.S. locations represent a significant portion of its sales and, consequently, the Company is exposed to risks associated with operating internationally that could adversely affect the Company's operating results.

During fiscal 2018, 2017 and 2016 approximately 76%, 72% and 73%, respectively, of the Company's sales came from its operations outside the United States. As a result of the Company's international operations, in particular those in emerging and developing economies, the Company's operations are subject to a variety of risks that are specific to international operations, including, but not limited to, the following:

- potential restrictions on the Company's ability to repatriate funds from its foreign subsidiaries;
- foreign currency and interest rate fluctuations and the impact on the Company's results of operations;
- compliance with foreign and domestic import and export regulations, data privacy regulations, business licensing requirements, environmental regulations and anti-corruption laws, the failure of which could result in severe penalties including monetary fines, criminal proceedings and suspension of import or export privileges;
- adoption or expansion of trade restrictions, including new and higher duties, tariffs, surcharges, or other import/export controls, unilaterally or bilaterally;
- complex and changing tax laws and regulations;
- regulatory requirements and prohibitions that differ between jurisdictions;
- economic and political instability (including the uncertainty caused by the United Kingdom's exit from the European Union), terrorism and potential military conflicts or civilian unrest;
- fluctuations in freight costs, limitations on shipping and receiving capacity, and other disruptions in the transportation and shipping infrastructure;
- natural disasters and health concerns;
- differing environmental regulations and employment practices and labor issues; and
- the risk of non-compliance with local laws.

In addition to the cost of compliance, the potential criminal penalties for violations of import or export regulations and anti-corruption laws by the Company or its third-party agents create heightened risks for the Company's international operations. In the event that a governing regulatory body determines that the Company has violated applicable import or export regulations or anti-corruption laws, the Company could be fined significant sums, incur sizable legal defense costs and/or its import or export capabilities could be restricted, which could have a material and adverse effect on the Company's business. Additionally, allegations that the Company has violated a governmental regulation may negatively impact the Company's reputation, which may result in customers or suppliers being unwilling to do business with the Company. While

the Company has adopted measures and controls designed to ensure compliance with these laws, the Company cannot be assured that such measures will be adequate or that its business will not be materially and adversely impacted in the event of an alleged violation.

The Company transacts sales, pays expenses, owns assets and incurs liabilities in countries using currencies other than the U.S. Dollar. Because the Company's consolidated financial statements are presented in U.S. Dollars, the Company must translate sales, income and expenses, as well as assets and liabilities, into U.S. Dollars at exchange rates in effect during each reporting period. Therefore, increases or decreases in the exchange rates between the U.S. Dollar and other currencies affect the Company's reported amounts of sales, operating income, assets and liabilities denominated in foreign currencies. In addition, unexpected and dramatic changes in foreign currency exchange rates may negatively affect the Company's earnings from those markets. While the Company may use derivative financial instruments to further reduce its net exposure to foreign currency exchange rate fluctuations, there can be no assurance that fluctuations in foreign currency exchange rates will not materially affect the Company's financial results. Further, foreign currency instability and disruptions in the credit and capital markets may increase credit risks for some of the Company's customers and may impair its customers' ability to repay existing obligations.

Recently, the U.S. government imposed new or higher tariffs on certain products imported into the U.S., which have increased the costs of procuring certain products the Company purchases from its suppliers. The higher tariffs, along with any additional tariffs or trade restrictions that may be implemented by the U.S. or by other countries on U.S. goods in the future, may result in further increased costs and other related expenses. While the Company intends to reflect such increased costs in its selling prices, such price increases may impact the Company's sales and customer demand for certain products. In addition, increased operational expenses incurred in minimizing the number of products subject to the tariffs could adversely affect the operating profits for certain of its business units. Neither such U.S. tariffs nor any retaliatory tariffs imposed by other countries on U.S. goods have yet had a significant impact, but there can be no assurance that future actions or escalations that affect trade relations will not occur or will not materially affect the Company's sales and results of operations. To the extent that Company sales or profitability are negatively affected by any such tariffs or other trade actions, the Company's business and results of operations may be materially adversely affected.

If the Company's internal information systems fail to function properly, or if the Company is unsuccessful in the implementation, integration or upgrade of information systems, its business operations could suffer.

The Company is dependent on its information systems to facilitate the day-to-day operations of the business and to produce timely, accurate and reliable information on financial and operational results. Currently, the Company's global operations are tracked with multiple information systems, some of which are subject to ongoing IT projects designed to streamline or optimize the Company's global information systems. These IT projects are extremely complex, in part, because of a wide range of processes, the multiple legacy systems used and the Company's business operations. There is no guarantee that the Company will be successful at all times in these efforts or that there will not be implementation or integration difficulties that will adversely affect the Company's ability to complete business transactions and ensure accurate recording and reporting of financial data. In addition, the Company may be unable to achieve the expected efficiencies and cost savings as a result of the IT projects, thus negatively impacting the Company's financial results. A failure of any of these information systems in a way described above or material difficulties in upgrading these information systems could have an adverse effect on the Company's business, internal controls and reporting obligations under federal securities laws.

The Company's acquisition strategy may not produce the expected benefits, which may adversely affect the Company's results of operations.

Avnet has made, and expects to continue to make, strategic acquisitions or investments in companies around the world to further its strategic objectives and support key business initiatives. Acquisitions and investments involve risks

and uncertainties, some of which may differ from those associated with Avnet's historical operations. The risks relating to such acquisitions and investments include, but are not limited to, risks relating to expanding into emerging markets and business areas, adding additional product lines and services, impacting existing customer and supplier relationships, incurring costs or liabilities associated with the companies acquired, incurring potential impairment charges on acquired goodwill and other intangible assets and diverting management's attention from existing business operations. As a result, the Company's profitability may be negatively impacted. In addition, the Company may not be successful in integrating the acquired businesses or the integration may be more difficult, costly or time-consuming than anticipated. Further, any litigation relating to a potential acquisition will result in an increase in the expenses associated with the acquisition or cause a delay in completing the acquisition, thereby impacting the Company's profitability. The Company may experience disruptions that could, depending on the size of the acquisition, have an adverse effect on its business, especially where an acquisition target may have pre-existing compliance issues or pre-existing deficiencies or material weaknesses in internal controls over financial reporting. Furthermore, the Company may not realize all of the anticipated benefits from its acquisitions, which could adversely affect the Company's financial performance.

Major disruptions to the Company's logistics capability could have an adverse impact on the Company's operations.

The Company's global logistics services are operated through specialized, centralized or outsourced distribution centers around the globe. The Company also depends almost entirely on third-party transportation service providers for the delivery of products to its customers. A major interruption or disruption in service at one or more of its distribution centers for any reason (such as information technology upgrades and operating issues, warehouse modernization and relocation efforts, natural disasters, pandemics, or significant disruptions of services from the Company's third-party transportation providers) could cause cancellations or delays in a significant number of shipments to customers and, as a result, could have an adverse impact on the Company's business partners, and on the Company's business, operations and financial performance.

If the Company sustains cyber-attacks or other privacy or data security incidents that result in security breaches, it could suffer a loss of sales and increased costs, exposure to significant liability, reputational harm and other negative consequences.

The Company's information technology may be subject to cyber-attacks, security breaches or computer hacking. Experienced computer programmers and hackers may be able to penetrate the Company's security controls and misappropriate or compromise sensitive personal, proprietary or confidential information, create system disruptions or cause shutdowns. They also may be able to develop and deploy malicious software programs that attack the Company's systems or otherwise exploit any security vulnerabilities. The Company's systems and the data stored on those systems may also be vulnerable to security incidents or security attacks, acts of vandalism or theft, coordinated attacks by activist entities, misplaced or lost data, human errors, or other similar events that could negatively affect the Company's systems and its data, as well as the data of the Company's business partners. Further, third parties, such as hosted solution providers, that provide services to the Company, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

The costs to eliminate or address the foregoing security threats and vulnerabilities before or after a cyber-incident could be significant. The Company's remediation efforts may not be successful and could result in interruptions, delays or cessation of service, and loss of existing or potential suppliers or customers. In addition, breaches of the Company's security measures and the unauthorized dissemination of sensitive personal, proprietary or confidential information about the Company, its business partners or other third parties could expose the Company to significant potential liability and reputational harm. As threats related to cyber-attacks develop and grow, the Company may also find it necessary to make further investments to protect its data and infrastructure, which may impact the Company's profitability. Although the Company has insurance coverage for protecting against cyber-attacks, it may not be sufficient to cover all possible claims,

and the Company may suffer losses that could have a material adverse effect on its business. As a global enterprise, the Company could also be negatively impacted by existing and proposed laws and regulations, as well as government policies and practices related to cybersecurity, data privacy, data localization and data protection.

Declines in the value of the Company's inventory or unexpected order cancellations by the Company's customers could adversely affect its business, results of operations, financial condition and liquidity.

The electronic components and integrated products industries are subject to rapid technological change, new and enhanced products, changes in customer needs and changes in industry standards and regulatory requirements, which can contribute to a decline in value or obsolescence of inventory. Regardless of the general economic environment, it is possible that prices will decline due to a decrease in demand or an oversupply of products and, as a result of the price declines, there may be greater risk of declines in inventory value. Although it is the policy of many of the Company's suppliers to offer certain protections from the loss in value of inventory (such as price protection and limited rights of return), the Company cannot be assured that such policies will fully compensate for the loss in value, or that the suppliers will choose to, or be able to, honor such agreements, some of which are not documented and, therefore, subject to the discretion of the supplier. In addition, the majority of the Company's sales are made pursuant to individual purchase orders, rather than through long-term sales contracts. Where there is a contract, such contract is generally terminable at will upon notice. The Company cannot be assured that unforeseen new product developments, declines in the value of the Company's inventory or unforeseen order cancellations by its customers will not adversely affect the Company's business, results of operations, financial condition or liquidity.

Substantial defaults by the Company's customers or suppliers on its accounts receivable or the loss of significant customers could have a significant negative impact on the Company's business, results of operations, financial condition or liquidity.

A significant portion of the Company's working capital consists of accounts receivable. If entities responsible for a significant amount of accounts receivable were to cease doing business, direct their business elsewhere, become insolvent or unable to pay the amount they owe the Company, or were to become unwilling or unable to make such payments in a timely manner, the Company's business, results of operations, financial condition or liquidity could be adversely affected. An economic or industry downturn could adversely affect the collectability of these accounts receivable, which could result in longer payment cycles, increased collection costs and defaults in excess of management's expectations. A significant deterioration in the Company's ability to collect on accounts receivable in the United States could also impact the cost or availability of financing under its accounts receivable securitization program.

The Company may not have adequate or cost-effective liquidity or capital resources which could adversely affect the Company's operations.

The Company's ability to satisfy its cash needs and implement its capital allocation strategy 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 the Company's control.

The Company may need to satisfy its cash needs through external financing. However, external financing may not be available on acceptable terms or at all. As of June 30, 2018, Avnet had total debt outstanding of approximately \$1.65 billion under various notes, secured borrowings and committed and uncommitted lines of credit with financial institutions. The Company needs cash to make interest payments on, and to repay, this indebtedness and for general corporate purposes, such as funding its ongoing working capital and capital expenditure needs. Under the terms of any external financing, the Company may incur higher than expected financing expenses and become subject to additional restrictions and covenants. Any material increase in the Company's financing costs could have an adverse effect on its profitability.

Under certain of its credit facilities, the Company is required to maintain certain specified financial ratios and pass certain financial tests. If the Company fails to meet these financial ratios and/or pass these tests, it may be unable to continue to utilize these facilities. If the Company is unable to utilize these facilities, it may not have sufficient cash available to make interest payments, to repay indebtedness or for general corporate needs. General economic or business conditions, domestic and foreign, may be less favorable than management expects and could adversely impact the Company's sales or its ability to collect receivables from its customers, which may impact access to the Company's accounts receivable securitization program.

In order to be successful, the Company must attract, retain, train, motivate and develop key employees, and failure to do so could adversely impact the Company's results and strategic initiatives.

Identifying, developing internally or hiring externally, training and retaining qualified employees are critical to the Company's future, and competition for experienced employees in the Company's industry can be intense. Changing demographics and labor work force trends may result in a loss of knowledge and skills as experienced workers leave the Company. In addition, as global opportunities and industry demand shifts, and as the Company expands its offerings, realignment, training and hiring of skilled personnel may not be sufficiently rapid. From time to time the Company has effected restructurings, which eliminate a number of positions. Even if such personnel are not directly affected by the restructuring effort, such terminations can have a negative impact on morale and the Company's ability to attract and hire new qualified personnel in the future. If the Company loses existing qualified personnel or is unable to hire new qualified personnel, as needed, the Company's business, financial condition and results of operations could be seriously harmed.

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

The agreements governing the Company's financing, including its credit facility, accounts receivable securitization program and the indentures governing the Company's outstanding notes, contain various covenants and restrictions that, in certain circumstances, limit the Company's ability, and the ability of certain subsidiaries, to:

- grant liens on assets;
- make restricted payments (including, under certain circumstances, paying dividends on common stock or redeeming or repurchasing common stock);
- make certain investments;
- merge, consolidate or transfer all or substantially all of the Company's 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 the future in how it conducts its business and may be unable to raise additional debt, repurchase common stock, pay a dividend, compete effectively or make further investments.

The Company may become involved in legal proceedings that could cause it to incur substantial costs, divert management's efforts or require it to pay substantial damages or licensing fees.

From time to time, the Company may become involved in legal proceedings, including government investigations, that arise out of the ordinary conduct of the Company's business, including matters involving intellectual property rights, commercial matters, merger-related matters and other actions. Legal proceedings could result in substantial costs and

diversion of management's efforts and other resources and could have an adverse effect on the Company's operations. Further, the Company may be obligated 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. While the Company may be able to seek indemnification from its suppliers for itself and its customers against such claims, there is no assurance that it will be successful in realizing such indemnification or that the Company will be fully protected against such claims. In addition, the Company is exposed to potential liability for technology that it develops for which it has no indemnification protections. If an infringement claim against the Company 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 Company may have to stop selling certain products or services, which could affect its ability to compete effectively.

Changes in tax rules and regulations, changes in interpretation of tax rules and regulations, changes in business performance or unfavorable assessments from tax audits could adversely affect the Company's effective tax rates, deferred taxes, financial condition and results of operations.

As a multinational corporation, the Company is subject to the tax laws and regulations of the United States and many foreign jurisdictions. From time to time, regulations may be enacted that could adversely affect the Company's tax positions. There can be no assurance that the Company's cash flow, and in some cases the effective tax rate, will not be adversely affected by these potential changes in regulations or by changes in the interpretation of existing tax law and regulations.

On December 22, 2017, the U.S. federal government enacted tax legislation (the "Tax Cuts and Jobs Act" or the "Act") which includes provisions to lower the corporate income tax rate, impose new taxes on certain foreign earnings, limit deductibility of certain U.S. costs and levy a one-time deemed repatriation tax on accumulated offshore earnings, among others. The Act is subject to interpretation and implementation guidance by both federal and state tax authorities, as well as amendments and technical corrections. Any or all of these could impact the Company unfavorably.

Many countries are adopting provisions to align their international tax rules with the Base Erosion and Profit Shifting Project, led by the Organisation for Economic Co-operation and Development, to standardize and modernize global corporate tax policy. These provisions, individually or as a whole, may negatively impact taxation of international business.

The tax laws and regulations of the various countries where the Company has operations are extremely complex and subject to varying interpretations. Although the Company believes that its historical tax positions are sound and consistent with applicable laws, regulations and existing precedent, there can be no assurance that these tax positions will not be challenged by relevant tax authorities or that the Company would be successful in defending against any such challenge.

The Company's future income tax expense could also be favorably or adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities and changes to its operating structure.

If the Company fails to maintain effective internal controls, it may not be able to report its financial results accurately or timely, or prevent or detect fraud, which could have an adverse effect on the Company's business or the market price of the Company's securities.

Effective internal controls over financial reporting are necessary for the Company to provide reliable financial reports and to effectively prevent or detect fraud. If the Company cannot provide reliable financial reports and effectively prevent or detect fraud, its brand and operating results could be harmed. Internal controls over financial reporting may not prevent or detect misstatements because such controls are inherently limited; such limitations include the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls cannot provide absolute assurance with respect to the preparation and fair presentation of financial statements. In addition, if not properly maintained and updated, internal controls over financial reporting may become inadequate. If the Company fails

to maintain the adequacy of its internal controls, including any failure to implement required new or improved internal controls, or if the Company experiences difficulties in their implementation, the Company's business and operating results could be harmed. Additionally, the Company may be subject to sanctions or investigations by regulatory authorities, and the Company could fail to meet its reporting obligations, all of which could have an adverse effect on its business or the market price of the Company's securities.

Failure to comply with the requirements of environmental regulations could adversely affect the Company's business.

The Company is subject to various federal, state, local and foreign laws and regulations addressing environmental and other impacts from product disposal, use of hazardous materials in products, recycling of products at the end of their useful life and other related matters. While the Company strives to ensure it is in full compliance with all applicable regulations, certain of these regulations impose liability without fault. Additionally, the Company may be held responsible for the prior activities of an entity it acquired. Failure to comply with these regulations could result in substantial costs, fines and civil or criminal sanctions, as well as third-party claims for property damage or personal injury. Further, environmental laws may become more stringent over time, imposing greater compliance costs and increasing risks and penalties associated with violations.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

The Company owns and leases approximately 2.6 million and 4.6 million square feet of space, respectively, of which approximately 25% is located in the United States. The following table summarizes certain of the Company's key facilities:

Location	Approximate Square Footage	Leased or Owned	Primary Use
Poing, Germany	570,000	Owned	EC warehousing, value-added operations and offices
Chandler, Arizona	400,000	Owned	EC warehousing and value-added operations
Tongeren, Belgium	390,000	Owned	EC warehousing and value-added operations
Leeds, United Kingdom	330,000	Owned	PF warehousing and headquarters
Chandler, Arizona	230,000	Leased	EC warehousing, integration and value-added operations
Gaffney, South Carolina	220,000	Owned	PF warehousing
Hong Kong, China	180,000	Leased	EC warehousing
Phoenix, Arizona	180,000	Leased	Corporate and EC Americas headquarters

Item 3. Legal Proceedings

As a result primarily of certain former manufacturing operations, Avnet has incurred and may have future liability under various federal, state and local environmental laws and regulations, including those governing pollution and exposure to, and the handling, storage and disposal of, hazardous substances. For example, under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA") and similar state laws, Avnet is and may be liable for the costs of cleaning up environmental contamination on or from certain of its current or former properties, and at off-site locations where the Company disposed of wastes in the past. Such laws may impose joint and several liability. Typically, however, the costs for clean up at such sites are allocated among potentially responsible parties based upon each party's relative contribution to the contamination, and other factors.

Pursuant to SEC regulations, including but not limited to Item 103 of Regulation S-K, the Company regularly assesses the status of and developments in pending environmental and other compliance related legal proceedings to determine whether any such proceedings should be identified specifically in this discussion of legal proceedings, and has

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concluded that no particular pending legal proceeding requires public disclosure. Based on the information known to date, management believes that the Company has appropriately accrued in its consolidated financial statements for its share of the estimable costs of environmental and other compliance related matters.

The Company is also currently subject to various pending and potential legal matters and investigations relating to compliance with governmental laws and regulations, including import/export and environmental matters. The Company currently believes that the resolution of such matters will not have a material adverse effect on the Company's financial position or liquidity, but could possibly be material to its results of operations in any one reporting period.

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 Price Per Share and Dividend History

On May 7, 2018, the Company received approval from the Nasdaq Stock Market to transfer the Company's common stock listing from the New York Stock Exchange to the Nasdaq Global Select Market effective May 8, 2018. The Company's common stock is currently listed on the Nasdaq Global Select Market under the symbol AVT. Quarterly high and low stock closing prices (as reported on the Nasdaq Global Select Market or the New York Stock Exchange as applicable) and dividends declared for the last two fiscal years were:

Fiscal Quarters	2018			2017		
	High	Low	Dividends Declared	High	Low	Dividends Declared
1 st	\$ 39.93	\$ 35.93	\$ 0.18	\$ 42.06	\$ 38.80	\$ 0.17
2 nd	41.72	38.67	0.18	48.84	40.50	0.17
3 rd	44.71	39.62	0.19	47.61	44.01	0.18
4 th	43.52	38.12	0.19	44.96	35.96	0.18

The declaration and payment of future dividends will be at the discretion of the Board of Directors and will be dependent upon the Company's financial condition, results of operations, capital requirements, and other factors the Board of Directors considers relevant. In addition, certain of the Company's debt facilities may restrict the declaration and payment of dividends, depending upon the Company's then current compliance with certain covenants.

Record Holders

As of July 27, 2018, there were 1,837 registered holders of record of Avnet's common stock.

Equity Compensation Plan Information

The table below sets forth certain equity compensation plan information as of June 30, 2018:

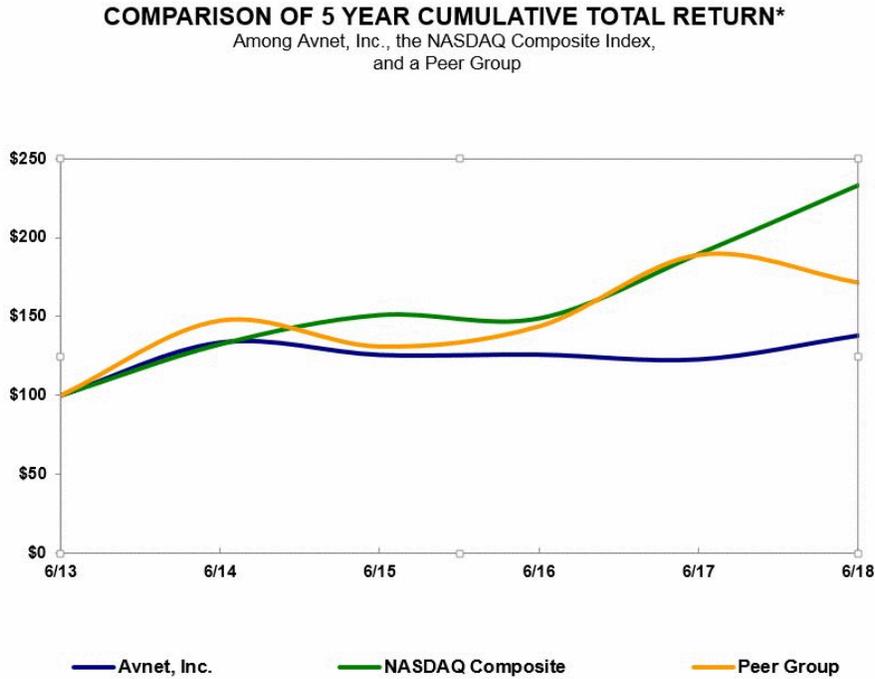
Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders	3,798,274 ⁽¹⁾	\$ 40.93	5,451,892 ⁽²⁾

(1) Includes 2,321,787 shares subject to options outstanding, 1,036,160 restricted stock units and 440,327 performance share units awarded but not yet vested as of the end of the fiscal year.

(2) Does not include 97,487 shares available for future issuance under the Employee Stock Purchase Plan, which is a non-compensatory plan.

Stock Performance Graphs and Cumulative Total Returns

The graph below matches the cumulative 5-year total return of holders of Avnet’s common stock with the cumulative total returns of the Nasdaq Composite index and a customized peer group of seven companies that includes: Agilysys Inc., Anixter International Inc., Arrow Electronics Inc., Insight Enterprises Inc., Scansource Inc., Synnex Corp and Tech Data Corp. The graph assumes that the value of the investment in Avnet’s common stock, in each index, and in the peer group (including reinvestment of dividends) was \$100 on 6/30/2013 and tracks it through 6/30/2018.



*\$100 invested on 6/30/13 in stock or index, including reinvestment of dividends.
Fiscal year ending June 30.

	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Avnet, Inc.	\$ 100	\$ 133.79	\$ 125.92	\$ 126.10	\$ 123.05	\$ 138.25
Nasdaq Composite	100	132.45	151.00	148.88	189.66	233.12
Peer Group	100	147.46	131.11	143.85	189.07	171.46

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Issuer Purchases of Equity Securities

In November 2017, the Company's Board of Directors amended the Company's existing share repurchase program to authorize the repurchase of up to \$1.95 billion of common stock in the open market or through privately negotiated transactions. The timing and actual number of shares repurchased will depend on a variety of factors such as share price, corporate and regulatory requirements, and prevailing market conditions. The following table includes the Company's monthly purchases of Avnet's common stock during the fourth fiscal quarter ended June 30, 2018, under the share repurchase program, which is part of a publicly announced plan:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased under the Plans or Programs
April	1,182,070	\$ 40.94	1,182,070	\$ 341,206,000
May	1,350,410	\$ 39.67	1,350,410	\$ 287,634,000
June	364,905	\$ 42.51	364,905	\$ 272,121,000

Item 6. Selected Financial Data

The following selected financial data has been derived from the Company's consolidated financial statements. The data set forth below should be read in conjunction with *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the consolidated financial statements and notes thereto.

	Years Ended				
	June 30, 2018	July 1, 2017	July 2, 2016	June 27, 2015	June 28, 2014
(Millions, except for per share and ratio data)					
Consolidated Statement of Operations: ^(a)					
Sales ^(b)	\$19,036.9	\$17,440.0	\$16,740.6	\$17,655.3	\$16,804.9
Gross profit	2,527.2	2,369.4	2,077.9	2,210.1	2,199.6
Operating income ^{(c)(d)}	230.5	461.4	572.9	653.1	599.6
Income tax expense	288.0	47.1	87.1	86.1	84.6
(Loss) income from continuing operations	(142.9)	263.4	390.9	485.4	445.4
(Loss) income from discontinued operations	(13.5)	261.9	115.6	86.5	100.2
Net (loss) income ^(e)	(156.4)	525.3	506.5	571.9	545.6
Per Share:					
Earnings - diluted:					
(Loss) earnings from continuing operations	(1.19)	2.05	2.93	3.50	3.18
(Loss) earnings from discontinued operations	(0.11)	2.03	0.87	0.62	0.71
(Loss) earnings per share - diluted	(1.30)	4.08	3.80	4.12	3.89
Cash dividends declared	0.74	0.70	0.68	0.64	0.60
Book value per diluted share	39.07	40.28	35.23	33.80	34.90
Consolidated Balance Sheets:					
Working capital ^(f)	4,641.1	5,080.0	4,061.5	4,312.6	3,907.6
Total assets	9,596.8	9,699.6	11,239.8	10,800.0	11,250.7
Long-term debt	1,489.2	1,729.2	1,339.2	1,646.5	1,209.0
Shareholders' equity	4,685.1	5,182.1	4,691.3	4,685.0	4,890.2
Ratios:					
Operating income as a percentage of sales	1.2 %	2.6 %	3.4 %	3.7 %	3.6 %
Net (loss) income as a percentage of sales	(0.8)%	3.0 %	3.0 %	3.2 %	3.2 %
Quick ratio	1.4:1	1.8:1	0.8:1	0.9:1	0.8:1
Current ratio	2.6:1	3.1:1	1.8:1	2.0:1	1.8:1
Total debt to capital ratio	26.1 %	25.6 %	34.7 %	29.7 %	29.8 %

- (a) In February 2017, the Company completed the sale of its TS business and as such, the results of that business are classified as discontinued operations in all periods presented.
- (b) Fiscal 2016 contained 53 weeks compared to 52 weeks in the other fiscal years presented.
- (c) All fiscal years presented include restructuring, integration and other expenses, which totaled \$145.1 million in fiscal 2018, \$137.4 million in fiscal 2017, \$44.8 million in fiscal 2016, \$41.8 million in fiscal 2015, and \$66.8 million in fiscal 2014.
- (d) All fiscal years presented include amortization of acquired intangible assets and other, which totaled \$91.9 million in fiscal 2018, \$54.5 million in fiscal 2017, \$9.8 million in fiscal 2016, \$18.1 million in fiscal 2015, and \$17.7 million in fiscal 2014.

- (e) Certain fiscal years presented were impacted by expense or income amounts that impact the comparability between years including a goodwill impairment expense of \$181.4 million and a one-time mandatory deemed repatriation tax liability of \$230.0 million in fiscal 2018, a gain on disposal of the TS business of \$222.4 million after tax in fiscal 2017, and a gain on legal settlement of \$13.5 million after tax in fiscal 2014.
- (f) This calculation of working capital is defined as current assets less current liabilities. See the “Liquidity” section contained in Item 7 of this Annual Report on Form 10-K for further discussion on liquidity.

Summary of quarterly results:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Fiscal Year^(a)
	(Millions, except per share amounts)				
2018^(b)					
Sales	\$ 4,660.9	\$ 4,521.6	\$ 4,795.1	\$ 5,059.2	\$ 19,036.9
Gross profit	612.6	602.5	653.5	658.6	2,527.2
Net income (loss)	58.3	46.7	(320.1)	58.6	(156.4)
Diluted earnings (loss) per share	0.47	0.39	(2.68)	0.50	(1.30)
2017^(c)					
Sales	\$ 4,118.1	\$ 4,273.6	\$ 4,441.9	\$ 4,606.4	\$ 17,440.0
Gross profit	522.6	586.2	630.0	630.6	2,369.4
Net income	68.9	103.2	271.8	81.4	525.3
Diluted earnings per share	0.53	0.79	2.10	0.65	4.08

- (a) Quarters may not total to the fiscal year due to rounding.
- (b) First quarter of fiscal 2018 net income was impacted by restructuring, integration and other expenses of \$29.6 million after tax, foreign currency gain and other expense of \$6.5 million after tax and a discrete income tax benefit of \$6.9 million. Second quarter results were impacted by restructuring, integration and other expenses of \$27.8 million after tax and a discrete income tax benefit of \$8.0 million. Third quarter results were impacted by restructuring, integration and other expenses of \$19.4 million after tax, a goodwill impairment of \$181.4 million and a discrete income tax expense of \$218.8 million. Fourth quarter results were impacted by restructuring, integration and other expenses of \$26.9 million after tax and a discrete income tax expense of \$14.5 million.
- (c) First quarter of fiscal 2017 net income was impacted by restructuring, integration and other expenses of \$20.2 million after tax and a discrete income tax benefit of \$1.4 million. Second quarter results were impacted by restructuring, integration and other expenses of \$23.0 million after tax and a discrete income tax expense of \$9.4 million. Third quarter results were impacted by restructuring, integration and other expenses of \$23.1 million after tax, the gain on sale of the TS business of \$217.1 million after tax, a gain on marketable securities of \$8.4 million after tax and a discrete income tax benefit of \$7.7 million. Fourth quarter results were impacted by restructuring, integration and other expenses of \$25.7 million after tax, a loss on a marketable securities hedge of \$7.8 million after tax, and a discrete income tax benefit of \$15.0 million.

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

For an understanding of Avnet and the significant factors that influenced the Company's performance during the past three fiscal years, the following discussion should be read in conjunction with the description of the business appearing in Item 1 of this Report and the consolidated financial statements, including the related notes and schedule, and other information appearing in Item 15 of this Report. The Company operates on a "52/53 week" fiscal year. Fiscal 2018 and 2017 both contained 52 weeks, and fiscal 2016 contained 53 weeks. The extra week impacts the year-over-year analysis of fiscal 2016 compared to fiscal 2018 and fiscal 2017 in this MD&A.

There are references to the impact of foreign currency translation in the discussion of the Company's results of operations. When the U.S. Dollar strengthens and the stronger exchange rates of the current year are used to translate the results of operations of Avnet's subsidiaries denominated in foreign currencies, the resulting impact is a decrease in U.S. Dollars of reported results. Conversely, when the U.S. Dollar weakens and the weaker exchange rates of the current year are used to translate the results of operations of Avnet's subsidiaries denominated in foreign currencies, the resulting impact is an increase in U.S. Dollars of reported results. In the discussion that follows, results excluding this impact, primarily for subsidiaries in EMEA and Asia, are referred to as "constant currency."

In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles in the U.S. ("GAAP"), the Company also discloses certain non-GAAP financial information, including:

- Sales adjusted for certain items that impact the year-over-year analysis, which includes the impact of certain acquisitions by adjusting Avnet's prior periods to include the sales of acquired businesses, as if the acquisitions had occurred at the beginning of the earliest period presented. In addition, the prior year sales are adjusted for divestitures by adjusting Avnet's prior periods to exclude the sales of divested businesses as if the divestitures had occurred at the beginning of the earliest period presented. Fiscal 2016 sales are adjusted for the estimated impact of the extra week of sales in fiscal 2016 as discussed above. Sales taking into account these adjustments are referred to as "organic sales."
- Operating income excluding (i) restructuring, integration and other expenses (see *Restructuring, Integration and Other Expenses* in this MD&A), (ii) goodwill impairment expense and (iii) amortization of acquired intangible assets and other is referred to as "adjusted operating income." Adjusted operating income excludes the TS business, which is reported within discontinued operations for all periods presented.

The reconciliation of operating income to adjusted operating income is presented in the following table:

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
	(Thousands)		
Operating income	\$ 230,516	\$ 461,400	\$ 572,912
Restructuring, integration and other expenses	145,125	137,415	44,761
Goodwill impairment expense	181,440	—	—
Amortization of acquired intangible assets and other	91,923	54,526	9,784
Adjusted operating income	<u>\$ 649,004</u>	<u>\$ 653,341</u>	<u>\$ 627,457</u>

Management believes that providing this additional information is useful to readers to better assess and understand operating performance, especially when comparing results with prior periods or forecasting performance for future periods, primarily because management typically monitors the business both including and excluding these adjustments to GAAP results. Management also uses these non-GAAP measures to establish operational goals and, in many cases, for measuring performance for compensation purposes. However, any analysis of results on a non-GAAP basis should be used as a complement to, and in conjunction with, results presented in accordance with GAAP.

Results of Operations

Executive Summary

Sales for fiscal 2018 were \$19.04 billion, an increase of 9.2% from fiscal 2017 sales of \$17.44 billion primarily due to the acquisition of PF and the impact of foreign currency exchange rates, partially offset by certain supplier channel and program changes. EC sales in fiscal 2018 were \$17.5 billion, representing a 6.5% increase over fiscal 2017 as sales growth in the EMEA and Asia regions offset declines in the Americas region. Organic sales in constant currency increased 3.6% year over year with both the EC and PF operating groups contributing to this increase.

Gross profit in fiscal 2018 was \$2.53 billion, an increase of \$157.7 million, or 6.7%, compared to fiscal 2017. This increase was primarily due to the acquisition of PF and the impact of changes in foreign currency exchange rates, partially offset by certain supplier channel and program changes.

Operating income margin was 1.2% in fiscal 2018 and 2.6% in fiscal 2017. Both periods included amortization and restructuring, integration and other expenses. Fiscal 2018 also includes goodwill impairment expense. Excluding these expenses, adjusted operating income margin was 3.4% and 3.7% in fiscal 2018 and fiscal 2017, respectively.

Sales

Three-Year Analysis of Sales: By Operating Group and Geography

The table below provides a year-over-year summary of sales for the Company and its operating groups.

	Years Ended						Percent Change	
	June 30, 2018	% of Total	July 1, 2017	% of Total	July 2, 2016	% of Total	2018 to 2017	2017 to 2016
(Dollars in millions)								
Sales by Operating Group:								
EC	\$ 17,543.6	92.2 %	\$ 16,474.1	94.5 %	\$ 16,740.6	100.0 %	6.5 %	(1.6)%
PF (acquired Q2 fiscal 2017)	1,493.3	7.8	965.9	5.5	—	—	54.6	—
	<u>\$ 19,036.9</u>		<u>\$ 17,440.0</u>		<u>\$ 16,740.6</u>			
Sales by Geographic Region:								
Americas	\$ 5,011.4	26.3 %	\$ 5,163.9	29.6 %	\$ 4,801.3	28.7 %	(3.0)%	7.6 %
EMEA	6,790.9	35.7	5,912.9	33.9	5,103.0	30.5	14.8	15.9
Asia/Pacific	7,234.6	38.0	6,363.2	36.5	6,836.3	40.8	13.7	(6.9)
Total Avnet	<u>\$ 19,036.9</u>		<u>\$ 17,440.0</u>		<u>\$ 16,740.6</u>			

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Fiscal 2018 Comparison to Fiscal 2017

During October of fiscal 2017, the Company acquired PF. The table below provides a comparison of reported and organic sales for fiscal 2018 to fiscal 2017 sales to allow readers to better assess and understand the Company's sales performance by operating group on a more comparable basis.

	Sales			Organic Sales	Organic Sales	Organic Sales
	as Reported and Organic Fiscal 2018	as Reported Fiscal 2017	Acquisitions ⁽¹⁾	Fiscal 2017	Year-Year % Change	Year-Year % Change in Constant Currency
(Dollars in millions)						
Avnet	\$ 19,036.9	\$ 17,440.0	\$ 378.3	\$ 17,818.3	6.8 %	3.6 %
Avnet by region						
Americas	\$ 5,011.4	\$ 5,163.9	\$ 154.4	\$ 5,318.3	(5.8)%	(5.8)%
EMEA	6,790.9	5,912.9	178.9	6,091.8	11.5	2.5
Asia	7,234.6	6,363.2	45.0	6,408.2	12.9	12.7
Avnet by segment						
EC	\$ 17,543.6	\$ 16,474.1	\$ —	\$ 16,474.1	6.5 %	3.4 %
PF	1,493.3	965.9	378.3	1,344.2	11.1	6.5

(1) Includes PF acquired on October 17, 2016, which has operations in each Avnet region.

Avnet's sales for fiscal 2018 were \$19.04 billion, up \$1.6 billion, or 9.2%, from fiscal 2017 sales of \$17.44 billion. The sales growth was primarily driven by the acquisition of PF and the impact of changes in foreign currency exchange rates as approximately \$575 million of the increase in sales was attributable to the translation impact of changes in foreign currency exchange rates, primarily in EMEA. These increases in sales were partially offset by the impact of supplier channel and program changes, which occurred during fiscal 2017 into the first half of fiscal 2018. On an organic basis and in constant currency, consolidated sales increased 3.6% with both operating groups contributing to the increase.

EC sales in fiscal 2018 were \$17.5 billion, representing a 6.5% increase over fiscal 2017 sales. On an organic basis in constant currency, EC sales increased 3.4% year-over-year as sales growth in the EMEA and Asia regions offset a 6.7% decline in the Americas region resulting primarily from supplier channel and program changes. Sales in the EMEA and Asia regions increased in constant currency 2.0% and 12.5%, respectively, which was primarily driven by strong demand across many product verticals, partially offset by declines from supplier channel and program changes.

PF sales in fiscal 2018 increased on an organic basis 11.1% and 6.5% in constant currency with all three geographic regions contributing to the increase. The organic increase in each of the three regions is primarily due to the expansion of the PF line-card and an investment in inventory to achieve a broader portfolio of products.

Fiscal 2017 Comparison to Fiscal 2016

The table below provides the comparison of reported and organic fiscal 2017 sales to fiscal 2016 sales to allow readers to better assess and understand the Company's sales performance.

	Organic Sales Fiscal 2017	Sales as Reported Fiscal 2016	Sales from Acquisitions ⁽¹⁾ / Extra Week	Organic Sales Fiscal 2016	Organic Sales Year-Year % Change	Organic Sales Year-Year % Change in Constant Currency
(Dollars in millions)						
Avnet	\$ 17,818.3	\$ 16,740.6	\$ 1,061.4	\$ 17,802.0	0.1 %	1.0 %
Avnet by region						
Americas	\$ 5,318.3	\$ 4,801.3	\$ 477.9	\$ 5,279.2	0.7 %	0.7 %
EMEA	6,091.8	5,103.0	560.9	5,663.9	7.6	10.7
Asia	6,408.2	6,836.3	22.6	6,858.9	(6.6)	(6.9)
Avnet by segment						
EC	\$ 16,474.1	\$ 16,740.6	\$ (300.0)	\$ 16,440.6	0.2 %	0.8 %
PF	1,344.2	—	1,361.4	1,361.4	(1.3)	2.7

(1) Includes Premier Farnell acquired on October 17, 2016, which has operations in each Avnet region

Sales for fiscal 2017 were \$17.44 billion, an increase of 4.2%, or \$699.4 million, from fiscal 2016 sales of \$16.74 billion. Organic sales were flat year over year and increased 1.0% in constant currency. The organic sales increase in constant currency was primarily due to organic growth in the EC EMEA region and organic growth in the PF business, offset by declines in the EC Asia region.

Gross Profit and Gross Profit Margins

Gross profit in fiscal 2018 was \$2.53 billion, an increase of \$157.7 million, or 6.7%, compared to fiscal 2017. This increase was due to the acquisition of PF and the impact of changes in foreign currency exchange rates, partially offset by declines from supplier channel and program changes. Gross profit margin of 13.3% in fiscal 2018 decreased 31 basis points from the prior year primarily due to supplier channel and program changes and due to a higher mix of sales coming from the lower gross profit margin EC Asia region, partially offset by fiscal 2018 including a full fiscal year of PF sales.

Gross profit in fiscal 2017 was \$2.37 billion, an increase of \$291.5 million, or 14.0%, from fiscal 2016 primarily due to the acquisition of PF. Gross profit margin of 13.6% increased 117 basis points year over year primarily due to the acquisition of PF and from the impact of deselecting lower margin high volume supply chain engagements in EC Asia, partially offset by declines in the EC western regions primarily due to the Americas region.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A expenses") in fiscal 2018 were \$1.97 billion, an increase of \$199.5 million, or 11.3%, compared to fiscal 2017. The year-over-year increase in SG&A expenses was primarily due to the acquisition of PF in October of fiscal 2017 and the impact of changes in foreign currency exchange rates, partially offset by restructuring and integration actions taken in fiscal 2018.

Metrics that management monitors with respect to its operating expenses are SG&A expenses as a percentage of sales and as a percentage of gross profit. In fiscal 2018, SG&A expenses as a percentage of sales were 10.3% and as a

percentage of gross profit were 78.0%, as compared with 10.2% and 74.7%, respectively, in fiscal 2017. The increase in SG&A expenses as a percentage of gross profit is due primarily to the decline in gross profit margin year over year.

SG&A expenses were \$1.77 billion in fiscal 2017, an increase of \$310.4 million, or 21.3%, from fiscal 2016. The year-over-year increase in SG&A expenses was primarily due to the acquisition of PF including the impact of additional amortization of intangible asset expense, partially offset by the impact of prior restructuring actions and favorable changes in foreign currency exchange rates between years. In fiscal 2017, SG&A expenses as a percentage of sales were 10.2% and as a percentage of gross profit were 74.7%, as compared with 8.7% and 70.3%, respectively, in fiscal 2016. SG&A expenses as a percentage of gross profit increased over 400 basis points year over year due primarily to the impact of the PF acquisition.

Goodwill Impairment Expenses

The Company impaired goodwill in the Americas region of the EC operating group and recorded \$181.4 million of goodwill impairment expense in the third quarter of fiscal 2018.

See Note 7, “Goodwill and intangible assets” to the Company’s consolidated financial statements included in Item 15 of this Annual Report on Form 10-K for additional information related to goodwill impairment expenses.

Restructuring, Integration and Other Expenses

During fiscal 2018, the Company continued to take certain actions in an effort to reduce future operating expenses in response to current market and Company specific conditions. These actions included restructuring and integration actions related to the acquisition of PF and the integration of certain regional and global businesses after the TS business divestiture. Additionally, the Company incurred accelerated depreciation related to the incremental depreciation expense incurred related to the shortening of the estimated useful life of the Company’s ERP system in the Americas compared to depreciation expense based on the original useful life of such ERP system, and other costs related to incremental amounts incurred by the Company as a result of the Act and other restructuring and integration related activities.

The Company recorded \$60.6 million for restructuring costs in fiscal 2018, and expects to realize approximately \$84.3 million in incremental annualized operating costs savings as a result of such restructuring actions. Restructuring expenses consisted of \$56.8 million for severance, \$1.0 million for facility exit costs, \$2.6 million for asset impairments, and \$0.2 million for other restructuring expenses. Integration, accelerated depreciation and other costs were \$20.9 million, \$52.9 million and \$12.0 million, respectively. The Company also recorded a net benefit of \$1.3 million for changes in estimates for restructuring liabilities established in prior fiscal years. The after tax impact of restructuring, integration and other expenses were \$103.7 million and \$0.86 per share on a diluted basis.

During fiscal 2017, the Company took certain actions in an effort to reduce future operating expenses in response to current market and Company specific conditions, including restructuring actions related to the acquisition of PF. In addition, the Company incurred integration, acquisition/divestiture, accelerated depreciation and other costs. Integration costs are primarily related to costs incurred to integrate acquired businesses, the integration of certain regional and global businesses including Avnet after the TS divestiture, and incremental costs incurred as part of the consolidation, relocation, and closure of warehouse and office facilities. Acquisition/divestiture costs consist primarily of professional fees and other costs incurred related to the acquisition, divestiture and closure of businesses including the acquisition of PF and the divestiture of TS. Other costs consist primarily of any ongoing facilities’ operating costs associated with the consolidation, relocation and closure of facilities once such facilities have been vacated or substantially vacated, and other miscellaneous costs that relate to restructuring, integration and other expenses.

During fiscal 2017, the Company recorded restructuring, integration and other expenses of \$137.4 million. The Company recorded \$41.7 million for restructuring costs, and expects to realize approximately \$45.0 million in incremental annualized operating cost savings as a result of such restructuring actions. Restructuring expenses consisted of \$36.1 million for severance, \$0.6 million for facility exit costs, \$3.5 million for asset impairments, and \$1.5 million for other restructuring expenses. Integration, accelerated depreciation and other costs including acquisition/divestiture costs were \$37.9 million, \$16.0 million and \$44.9 million, respectively. The Company also recorded a net benefit of \$3.1 million for changes in estimates for restructuring liabilities established in prior fiscal years. The after tax impact of restructuring, integration and other expenses were \$92.0 million and \$0.73 per share on a diluted basis.

During fiscal 2016, the Company incurred restructuring expenses related to certain actions intended to reduce future operating expenses. In addition, the Company incurred integration and other costs primarily associated with the integration of acquired businesses, the integration of certain global and regional businesses, the integration of significant information technology systems and other costs associated with the acquisition of and the closure or divestiture of certain businesses. As a result, during fiscal 2016 the Company recorded restructuring, integration and other expenses of \$44.8 million. The Company recorded \$31.5 million for restructuring costs, and expects to realize approximately \$24.0 million in incremental annualized operating cost savings as a result of such restructuring actions. Restructuring expenses consisted of \$29.4 million for severance, \$1.6 million for facility exit costs, \$0.1 million for asset impairments, and \$0.4 million for other restructuring expenses. Integration and other costs including acquisition costs were \$6.8 million and \$7.9 million, respectively. The Company also recorded a net benefit of \$1.4 million for changes in estimates for restructuring liabilities established in prior fiscal years. The after tax impact of restructuring, integration and other expenses were \$29.3 million and \$0.22 per share on a diluted basis.

See Note 18, “Restructuring expenses” to the Company’s consolidated financial statements included in Item 15 of this Annual Report on Form 10-K for additional information related to restructuring expenses.

Operating Income

During fiscal 2018, the Company had operating income of \$230.5 million, representing a 50.0% decrease as compared with fiscal 2017 operating income of \$461.4 million. The year over year decrease in operating income was primarily driven by goodwill impairment expense, partially offset by improvements at PF. Operating income margin was 1.2% in fiscal 2018 compared to 2.6% in fiscal 2017. Both years included restructuring, integration and other expenses and the amortization of acquired intangible assets. Fiscal 2018 also includes goodwill impairment expense. Excluding these amounts, adjusted operating income was \$649.0 million, or 3.4% of sales, in fiscal 2018 as compared with \$653.3 million, or 3.7% of sales, in fiscal 2017.

During fiscal 2017, the Company had operating income of \$461.4 million, representing a 19.5% decrease as compared with fiscal 2016 operating income of \$572.9 million. Operating income margin was 2.6% in fiscal 2017 compared to 3.4% in fiscal 2016. Both years included restructuring, integration and other expenses and the amortization of acquired intangible assets. Excluding these amounts from both years, adjusted operating income was \$653.3 million, or 3.7% of sales, in fiscal 2017 as compared with \$627.5 million, or 3.7% of sales, in fiscal 2016. Although operating income margin was flat year over year, there was an increase as a result of the acquisition of PF, substantially offset by a reduction at EC primarily in the Americas region.

Interest Expense

Interest expense for fiscal 2018 was \$102.5 million, a decrease of \$4.2 million, or 3.9%, compared with interest expense of \$106.7 million in fiscal 2017. The decrease in interest expense in fiscal 2018 compared to fiscal 2017 was

primarily related to the impact of the Company's repayment of its outstanding term loans and borrowings on its revolving credit facilities in the second half of fiscal 2017, which were used to help fund the PF acquisition.

Interest expense for fiscal 2017 was \$106.7 million, an increase of \$14.8 million, or 16.0%, compared with fiscal 2016. The increase in interest expense was primarily related to new debt outstanding during portions of fiscal 2017 including debt incurred to finance the acquisition of PF.

Other Income (Expense), net

During fiscal 2018, the Company had \$17.1 million of other income as compared with \$44.3 million of other expense in fiscal 2017. In fiscal 2018, the Company had foreign currency gains primarily related to the strengthening of both the Euro and British Pound compared to the U.S. Dollar. In fiscal 2017, other expenses related to foreign currency hedging and other costs associated with the Company's acquisition of PF.

During fiscal 2017, the Company incurred \$44.3 million of other expense as compared with \$3.0 million in fiscal 2016. As described above, the increase in other expense in fiscal 2017 is primarily attributable to the foreign currency hedging and other costs associated with the PF acquisition.

Income Tax Expense

Avnet's effective tax rate on its income from continuing operations before income taxes was 198.5% in fiscal 2018 as compared with an effective tax rate of 15.2% in fiscal 2017. The fiscal 2018 effective tax rate is higher than the fiscal 2017 effective tax rate due primarily to (i) the provisional transition tax expense recorded under the requirements of the Act and (ii) the goodwill impairment, which was not tax deductible, partially offset primarily by the mix of income in lower tax jurisdictions.

Avnet's effective tax rate on income before income taxes from continuing operations was 15.2% in fiscal 2017 as compared with an effective tax rate of 18.2% in fiscal 2016. The fiscal 2017 effective tax rate is lower than the fiscal 2016 effective tax rate due primarily to a favorable mix of income in lower tax jurisdictions, partially offset by tax expense from the establishment of valuation allowances and contingency reserves in fiscal 2017 as compared with a tax benefit from valuation allowances released in fiscal 2016.

Avnet's effective tax rate is primarily a function of the tax rates in the numerous jurisdictions in which it does business applied to the mix of income before taxes. The effective tax rate may vary year over year as a result of changes in tax requirements in these jurisdictions, management's evaluation of its ability to recognize its net deferred tax assets and the establishment of liabilities for unfavorable outcomes of tax positions taken on certain matters that are common to multinational enterprises and the actual outcome of those matters.

See Note 10, "Income taxes" to the Company's consolidated financial statements included in Item 15 of this Annual Report on Form 10-K for additional information related to income taxes.

Income (Loss) from Discontinued Operations

Loss from discontinued operations was \$13.5 million in fiscal 2018 compared to \$261.9 million of income from discontinued operations in fiscal 2017. The loss was primarily as a result of settlement losses associated with the Company's pension plan due to former TS business employees requesting and receiving distributions from the Company's pension plan during fiscal 2018. The income from discontinued operations in fiscal 2017 was primarily the result of the

recognition of the gain on sale and to a lesser extent the operating profits of the TS business in fiscal 2017 prior to the closing of the sale at the end of February 2017.

Income from discontinued operations increased \$146.3 million to \$261.9 million in fiscal 2017 compared to \$115.6 million in fiscal 2016. Excluding the gain on sale of \$222.4 million net of tax, income from discontinued operations decreased \$76.1 million in fiscal 2017, which only contained 34 weeks as a result of the sale of TS being completed at the end of February 2017.

See Note 3, “Discontinued operations” to the Company’s consolidated financial statements included in Item 15 of this Annual Report on Form 10-K for additional information and detail on the financial results of discontinued operations.

Net Income (Loss)

As a result of the factors described in the preceding sections of this MD&A, the Company’s net loss in fiscal 2018 was \$156.4 million, or \$1.30 per share on a diluted basis, compared with net income of \$525.3 million, or \$4.08 per share on a diluted basis, in fiscal 2017 and \$506.5 million, or \$3.80 per share on a diluted basis, in fiscal 2016.

Liquidity and Capital Resources

Cash Flows

Cash Flows from Operating Activities

The Company generated \$253.5 million of cash from its operating activities in fiscal 2018 as compared to \$221.0 million in fiscal 2017. These operating cash flows from continuing operations are comprised of: (i) cash flows generated from net income from continuing operations, adjusted for the impact of non-cash and other items, which includes depreciation and amortization expense, goodwill impairment expense, deferred income taxes, stock-based compensation expense and other non-cash items (including provisions for doubtful accounts and net periodic pension costs), and (ii) cash flows used for, or generated from, working capital and other, excluding cash and cash equivalents. Cash used for working capital and other was \$6.2 million during fiscal 2018, including increases in accounts receivable of \$296.2 million and inventories of \$308.7 million. The Company utilized cash to invest in inventory levels primarily as a result of a strong book to bill and lengthening product lead times. The increase in cash used for inventories and accounts receivable was partially offset by increases in accounts payable of \$409.6 million and accrued expenses and other of \$189.1 million.

During fiscal 2017, the Company generated \$221.0 million of cash from its operating activities for continuing operations in fiscal 2017 as compared to a cash usage of \$48.9 million in fiscal 2016. Cash used for working capital and other was \$256.7 million during fiscal 2017, including an increase in accounts receivable of \$371.8 million primarily due to the increase in fourth quarter sales year over year and a decrease in accrued expenses and other of \$132.9 million, partially offset by a decrease in inventories of \$84.4 million and an increase in accounts payable of \$163.6 million primarily due to improved working capital management year over year in the EC Asia region.

Cash used for operating activities of discontinued operations was \$589.7 million in fiscal 2017 compared to a cash generation of \$273.2 million in fiscal 2016. The decrease was primarily the result of the sale of the TS business being completed in February 2017, prior to such business completing the cash conversion cycle from its second fiscal quarter compared to fiscal 2016, which reflected a full fiscal year of operations and cash flows for the TS business. Included in the cash used for discontinued operations in fiscal 2017 was the income tax payment associated with the gain on sale.

Cash Flows from Financing Activities

During fiscal 2018, the Company made net repayments of \$37.0 million under the Company's accounts receivable securitization program and \$98.0 million from borrowings of various bank credit facilities. During fiscal 2018, the Company received net proceeds of \$8.9 million under the Company's Credit Facility. In addition, during fiscal 2018, the Company paid quarterly dividends on common stock of \$88.3 million and repurchased \$323.5 million of common stock under the Company's share repurchase program.

During fiscal 2017, the Company received net proceeds of \$296.4 million as a result of the issuance of \$300.0 million of 3.75% Notes due December 2021. Additionally, the Company received net proceeds of \$530.8 million under a term loan and \$27.9 million from borrowings of bank credit facilities and other debt. During fiscal 2017, the Company repaid \$530.8 million of notes and acquired debt, \$511.4 million from borrowings under a term loan, \$50.0 million under the Company's senior unsecured credit facility and made net repayments of \$588.0 million under the Company's accounts receivable securitization program. In addition, during fiscal 2017, the Company used \$88.7 million and \$275.9 million of cash to pay quarterly cash dividends on common stock and to repurchase common stock under the Company's share repurchase program, respectively.

During fiscal 2016, the Company received net proceeds of \$541.5 million as a result of the issuance of \$550.0 million of 4.625% Notes due April 2026, \$18.7 million from borrowings of bank credit facilities and other debt, \$101.2 million under the Company's senior unsecured credit facility and \$80.0 million under the Company's accounts receivable securitization program. During fiscal 2016, the Company repaid upon maturity the \$250.0 million of 6.00% Notes due September 2015. In addition, during fiscal 2016, the Company used \$88.6 million and \$380.9 million of cash to pay quarterly cash dividends on common stock and to repurchase common stock under the Company's share repurchase program, respectively.

Cash Flows from Investing Activities

During fiscal 2018, the Company used \$155.9 million for capital expenditures primarily related to information system development costs, computer hardware and software purchases and facilities costs. Additionally, the Company used \$15.3 million of cash for acquisitions, which is net of the cash acquired. During fiscal 2018, the Company realized \$236.2 million of cash from investing activities of discontinued operations, substantially all of which related to the sale of the marketable securities obtained as a component of the proceeds from the sale of the TS business.

During fiscal 2017, the Company used \$802.7 million of cash for acquisitions, which is net of cash acquired, and used \$120.4 million for capital expenditures primarily related to information system development costs, computer hardware and software purchases and facilities costs. During fiscal 2017, with the sale of the TS business, the Company received \$2.24 billion of cash proceeds from the sale of TS, net of cash divested, which is reflected as an investing activity from discontinued operations.

During fiscal 2016, the Company used \$137.4 million for capital expenditures primarily related to information system development costs, computer hardware and software purchases and facilities costs. Additionally, the Company used \$30.7 million for investing activities related to discontinued operations primarily related to acquisitions and capital expenditures for the TS business.

Financing Transactions

The Company uses a variety of financing arrangements, both short-term and long-term, to fund its operations in addition to cash generated from operating activities. The Company also uses several sources of funding so that it does not

become overly dependent on one source and to achieve a lower cost of funding through these different alternatives. These financing arrangements include public debt, short-term and long-term bank loans, a revolving credit facility (the “Credit Facility”) and an accounts receivable securitization program (the “Program”).

The Company has various lines of credit and other forms of bank debt in the U.S. and various foreign locations to fund the short-term working capital, foreign exchange, overdraft and letter of credit needs of its wholly owned subsidiaries. Avnet generally guarantees its subsidiaries’ obligations under such debt facilities. Outstanding borrowings under such forms of debt at the end of fiscal 2018 was \$0.8 million.

See Note 8, “Debt” to the Company’s consolidated financial statements included in Item 15 of this Annual Report on Form 10-K for additional information on financing transactions including the Credit Facility, the Program and the outstanding Notes as of June 30, 2018.

Covenants and Conditions

The Program requires the Company to maintain certain minimum interest coverage and leverage ratios in order to continue utilizing the Program. The Program also contains certain covenants relating to the quality of the receivables sold. If these conditions are not met, the Company may not be able to borrow any additional funds and the financial institutions may consider this an amortization event, as defined in the Program agreements, which would permit the financial institutions to liquidate the accounts receivables sold to cover any outstanding borrowings. Circumstances that could affect the Company’s ability to meet the required covenants and conditions of the Program include the Company’s ongoing profitability and various other economic, market and industry factors. Management does not believe that the covenants under the Program limit the Company’s ability to pursue its intended business strategy or its future financing needs. The Company was in compliance with all covenants of the Program as of June 30, 2018.

The Credit Facility contains certain covenants with various limitations on debt incurrence, share repurchases, dividends, investments and capital expenditures and also includes financial covenants requiring the Company to maintain minimum interest coverage and leverage ratios. Management does not believe that the covenants in the Credit Facility limit the Company’s ability to pursue its intended business strategy or its future financing needs. The Company was in compliance with all covenants of the Credit Facility as of June 30, 2018.

See *Liquidity* below for further discussion of the Company’s availability under these various facilities.

Liquidity

The Company had cash and cash equivalents of \$621.1 million as of June 30, 2018, of which \$545.3 million was held outside the United States. As of July 1, 2017, the Company had cash and cash equivalents of \$836.4 million, of which \$619.5 million was held outside of the United States.

As of June 30, 2018, there were no borrowings outstanding and \$2.0 million in letters of credit issued under the Credit Facility and \$105.0 million outstanding under the Program. During fiscal 2018, the Company had an average daily balance outstanding under the Credit Facility of approximately \$10.9 million and \$206.0 million under the Program. During fiscal 2017, the Company had an average daily balance outstanding under the Credit Facility of approximately \$475.4 million and \$504.0 million under the Program. In August 2018, subsequent to the end of fiscal 2018, the Company amended and extended the Program for an additional two years. As of June 30, 2018, the combined availability under the Credit Facility and the Program was \$1.50 billion.

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During periods of weakening demand in the electronic components industry, the Company typically generates cash from operating activities. Conversely, the Company is more likely to use operating cash flows for working capital requirements during periods of higher growth. During fiscal 2018, the Company generated \$253.5 million from operating activities from continuing operations.

Liquidity is subject to many factors, such as normal business operations as well as general economic, financial, competitive, legislative, and regulatory factors that are beyond the Company's control. As a result of tax law changes created from the Act, which created a regulatory environment more favorable to repatriation, the Company repatriated approximately \$248.3 million of foreign cash to the United States in fiscal 2018, which was used to repay outstanding revolving debt facilities. To the extent the cash balances held in foreign locations cannot be remitted back to the U.S. in a tax efficient manner, those cash balances are generally used for ongoing working capital, capital expenditure needs and to support acquisitions, and are currently expected to be permanently reinvested outside the United States. The Company is still evaluating the impact of repatriating any additional foreign cash as a result of the Act. In addition, local government regulations may restrict the Company's ability to move funds among various locations under certain circumstances. Management does not believe such restrictions would limit the Company's ability to pursue its intended business strategy. Management believes that Avnet's available borrowing capacity, its current cash on hand, the remaining proceeds received from the sale of the TS business in the first quarter of fiscal 2019 and the Company's expected ability to generate operating cash flows in the future will be sufficient to meet its future liquidity needs. The Company also may issue debt or equity securities in the future and management believes the Company will have adequate access to the capital markets, if needed.

Historically the Company has made, and expects to continue to make, strategic investments through acquisition activity to the extent the investments strengthen Avnet's competitive position, further its business strategies and meet management's return on capital thresholds. The Company also expects to make capital expenditures, including expenditures for ERP systems. Additionally, as the Company integrates PF and pursues ways to become more efficient and cost effective, the Company expects to use cash for restructuring, integration and other expenses.

In addition to continuing to make investments in acquisitions, as of June 30, 2018, the Company may repurchase up to an aggregate of \$272.1 million of the Company's common stock through a \$1.95 billion share repurchase program approved by the Board of Directors. The Company plans to repurchase stock from time to time at the discretion of management, subject to available free cash flow, strategic considerations, market conditions and other factors. The Company may terminate or limit the share repurchase program at any time without prior notice. The timing and actual number of shares repurchased will depend on a variety of factors such as share price, corporate and regulatory requirements, and prevailing market conditions. Additionally, the Company currently expects to pay quarterly cash dividends on shares of its common stock, subject to approval of the Board of Directors. During fiscal 2018, the Company paid cash dividends of \$88.3 million on its common stock or approximately \$0.19 per share on a quarterly basis.

The Company also expects to make capital expenditures primarily related to distribution centers and facilities and investments in IT systems, technologies and tools.

See Item 6, *Selected Financial Data* in Part II of this Annual Report on Form 10-K for additional information on the Company's liquidity and related ratios.

Long-Term Contractual Obligations

The Company has the following contractual obligations outstanding as of June 30, 2018 (in millions):

Contractual Obligations	Total	Payments due by period			More than 5 years
		Less than 1 year	1-3 years	3-5 years	
Long-term debt obligations ⁽¹⁾	\$ 1,665.8	\$ 165.4	\$ 300.4	\$ 650.0	\$ 550.0
Interest expense on long-term debt obligations ⁽²⁾	351.2	75.9	124.6	79.7	71.0
Operating lease obligations	317.1	73.7	98.4	62.9	82.1

(1) Excludes unamortized discount and issuance costs on debt.

(2) Represents interest expense due on debt by using fixed interest rates for fixed rate debt and assuming the same interest rate at the end of fiscal 2018 for variable rate debt.

At June 30, 2018, the Company had an estimated liability for income tax contingencies of \$106.6 million, which is not included in the above table. Cash payments associated with the settlement of these liabilities that are expected to be paid within the next 12 months is \$9.9 million. The settlement period for the remaining amount of the unrecognized tax benefits, including related accrued interest and penalties, cannot be determined and therefore was not included in the table.

The Company does not currently have any material long-term commitments for purchases of inventories from suppliers or for capital expenditures.

Critical Accounting Policies

The Company's consolidated financial statements have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales and expenses. These estimates and assumptions are based upon the Company's continuous evaluation of available information including historical results and anticipated future events. Actual results may differ materially from these estimates.

The Securities and Exchange Commission defines critical accounting policies as those that are, in management's view, most important to the portrayal of the Company's financial condition and results of operations and that require significant judgments and estimates. Management believes the Company's most critical accounting policies at the end of fiscal 2018 relate to:

Valuation of Inventories

Inventories are recorded at the lower of cost or estimated net realizable value. The Company's inventories include electronic components sold into changing, cyclical and competitive markets wherein such inventories may be subject to declines in market value or obsolescence.

The Company regularly evaluates inventories for expected customer demand, obsolescence, current market prices and other factors that may render inventories less marketable. Write-downs are recorded so that inventories reflect the approximate net realizable value and take into account the Company's contractual provisions with its suppliers, which may provide certain protections to the Company for product obsolescence and price erosion in the form of rights of return, stock rotation rights, obsolescence allowances and price protections. Because of the large number of products and suppliers and the complexity of managing the process around price protections and stock rotations, estimates are made regarding

the realizable value of inventories. Additionally, assumptions about future demand, market conditions and decisions to discontinue certain product lines impact the evaluation of whether to write-down inventories. If assumptions about future demand change or actual market conditions are less favorable than those assumed by management, management would evaluate whether additional write-downs of inventories are required. In any case, actual net realizable values could be different from those currently estimated.

Accounting for Income Taxes

Management's judgment is required in determining income tax expense, unrecognized tax benefits and in measuring deferred tax assets and liabilities and the valuation allowances recorded against net deferred tax assets. The recoverability of the Company's net deferred tax assets is dependent upon its ability to generate sufficient future taxable income in certain jurisdictions. In addition, the Company considers historic levels and types of income, expectations and risk associated with estimates of future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for valuation allowances. Should the Company determine that it is not able to realize all or part of its deferred tax assets in the future, additional valuation allowances may be recorded against the deferred tax assets with a corresponding increase to income tax expense in the period such determination is made. Similarly, should the Company determine that it is able to realize all or part of its deferred tax assets that have an associated valuation allowance established, the Company may release a valuation allowance with a corresponding benefit to income tax expense in the period such determination is made.

The Company establishes contingent liabilities for potentially unfavorable outcomes of positions taken on certain tax matters. These liabilities are based on management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. There may be differences between the anticipated and actual outcomes of these matters that may result in changes in estimates to such liabilities. To the extent such changes in estimates are necessary, the Company's effective tax rate may potentially fluctuate as a result. In accordance with the Company's accounting policy, accrued interest and penalties related to unrecognized tax benefits are recorded as a component of income tax expense.

In determining the Company's income tax expense, management considers current tax regulations in the numerous jurisdictions in which it operates including the impact in the United States of the Act. The Company exercises judgment for interpretation and application of such current tax regulations. Changes to such tax regulations or disagreements with the Company's interpretation or application by tax authorities in any of the Company's major jurisdictions may have a significant impact on the Company's income tax expense.

See Note 1 and Note 10 to the Company's consolidated financial statements included in Item 15 of this Annual Report on Form 10-K for further discussion on income tax expense, valuation allowances and unrecognized tax benefits.

Goodwill and Long-lived Asset Impairment

The Company has a significant amount of goodwill and long-lived assets, which are subject to the risk of impairment.

In assessing goodwill for impairment, the Company is required to make significant judgments related to the fair value of its reporting units including assumptions about the future operating performance of such reporting units. The Company is also required to make judgments regarding the evaluation of changes in events or circumstances that would more likely than not reduce the fair value of any of its reporting units below their carrying value, the results of which would determine whether an interim goodwill impairment test must be performed. Should these assumptions or judgments change in the future based upon market conditions or should the structure of the Company's reporting units change based upon changes in business strategy or structure, the Company may be required to perform an interim impairment test which may result in goodwill impairment expense.

In order to estimate the fair value of its reporting units, the Company uses a combination of an income approach, specifically a discounted cash flow methodology, and a market approach. The discounted cash flow methodology includes market participant assumptions for, among other factors, forecasted sales, gross profit margins, operating expenses, cash flows, perpetual growth rates and long-term discount rates, all of which require judgments and estimates by management which are inherently uncertain. The market approach methodology requires significant assumptions related to comparable transactions, market multiples, capital structure and control premiums. These assumptions, judgments and estimates may change in the future based upon market conditions or other events and could result in goodwill impairment expense.

Long-lived assets, including property, plant and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable, which requires the Company to use judgment. For purposes of recognition and measurement of an impairment loss, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (“asset group”). An impairment is recognized when the estimated undiscounted future cash flows expected by management from the use of an asset group including its eventual disposition is less than its carrying amount. An impairment is measured as the amount by which an asset group’s net book value exceeds its estimated fair value. The determination of fair value requires the Company to make certain judgments and assumptions. The Company considers a long-lived asset to be abandoned when it has ceased use of such abandoned asset and if the Company has no intent to use or repurpose the asset in the future. The Company continually evaluates the carrying value and the remaining economic useful life of all long-lived assets and will adjust the carrying value and remaining useful life if and when appropriate.

See Note 1 and Note 7 to the Company’s consolidated financial statements included in Item 15 of this Annual Report on Form 10-K for further discussion on the goodwill and long-lived asset impairment test evaluations.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers, as amended* (“ASU 2014-09”), to supersede nearly all existing revenue recognition guidance under GAAP. The core principles of ASU 2014-09 are to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. Application of the guidance in ASU 2014-09 requires more judgment and estimates within the revenue recognition process compared to existing GAAP. ASU 2014-09 is required to be adopted by the Company in the first quarter of fiscal 2019.

The Company expects to adopt the requirements of ASU 2014-09 using modified retrospective adoption to each prior reporting period presented. The company has established an implementation team inclusive of external advisors engaged to assist in evaluating potential differences compared to existing GAAP. The Company has identified its revenue streams and is currently assessing each stream for potential impacts from the adoption of ASU 2014-09. For the revenue streams assessed to date, the Company does not anticipate a material impact to the timing or amount of revenue recognized compared to existing GAAP.

The Company’s analysis and evaluation of the new standard will continue into the first quarter of fiscal 2019 and a substantial amount of work remains to be completed due to the complexity of the new standard, the application of judgment and the requirement for the use of estimates in applying the new standard, as well as the significant number of revenue streams that must be reviewed under the new standard. The Company does not currently expect significant changes in revenue recognition practices for continuing operations compared to existing GAAP, which is consistent with the disclosed impact by other companies within the Company’s industry.

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In February 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases* (“ASU 2016-02”) and issued subsequent amendments to the initial guidance in September 2017 within ASU 2017-13 (collectively, Topic 842). Topic 842 requires companies to generally recognize operating and financing lease liabilities on the balance sheet and corresponding right-of-use assets created by those leases with lease terms of more than 12 months. The Company intends to adopt Topic 842 when it becomes effective in the first quarter of fiscal 2020 using a modified retrospective approach. The Company is currently evaluating the impact of its pending adoption of Topic 842 on its consolidated financial statements and expects that most of its operating lease commitments related to the Company’s real estate portfolio will be subject to the new standard and recognized as operating lease liabilities and right-of-use assets upon adoption, which will materially increase total assets and total liabilities relative to such amounts prior to adoption.

In October 2016, the FASB issued Accounting Standards Update No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory* (“ASU 2016-16”). The update addresses the recognition of current and deferred income taxes resulting from an intra-entity transfer of any asset other than inventory and requires companies to recognize the income tax consequences in the period in which they occur. ASU 2016-16 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017 and is applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company plans to adopt this update in its first quarter of fiscal 2019. The Company is finalizing its evaluation of the impact of the adoption on its consolidated financial statements and expects to recognize its previously deferred tax related intra-equity transfers to retained earnings and an overall decrease in total assets, primarily other assets. While the Company is continuing to assess the potential effects of adoption of this update, future intra-entity transfers of assets between its legal entities occurring after the adoption of the updated standard could have a material impact on the Company’s income tax expense in the period that the transfer occurs.

In March 2017, the FASB issued Accounting Standards Update 2017-07, *Compensation—Retirement Benefits (Topic 715) - Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (“ASU 2017-07”). The new guidance requires the service cost component of net periodic benefit cost to be presented in the same income statement line item as other employee compensation costs arising from services rendered during the period, and allows only the service cost component to be eligible for capitalization in assets. Other components of the net periodic benefit cost are to be presented separately from the line item that includes the service cost and outside of any subtotal of operating income, and the line item must be appropriately described. If a separate line item is not used, the line item used in the income statement to present the other components of net benefit cost must be disclosed. The Company will adopt ASU 2017-07 when it becomes effective in its first quarter of fiscal 2019. The amendment is to be applied retrospectively. The new guidance primarily impacts the income statement presentation of net periodic benefit cost and the Company does not believe adoption of this standard will have a material impact on its consolidated financial statements including income before income taxes, but the reported amount of operating income will decrease compared to historical measurements of operating income. See Note 11 to the Company’s consolidated financial statements included in Item 15 of this Annual Report on Form 10-K for further information on the components of net periodic benefit cost.

In August 2017, the FASB issued Accounting Standards Update 2017-12, *Derivatives and Hedging (Topic 815) - Targeted Improvements to Accounting for Hedging Activities* (“ASU 2017-12”), which improves the financial reporting of hedging relationships to better portray the economic results of an entity’s risk management activities in its financial statements and makes certain targeted improvements to simplify the qualification and application of the hedge accounting compared to current GAAP. This update is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the impact of the adoption of ASU 2017-12 on its consolidated financial statements.

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In February 2018, the FASB issued Accounting Standards Update 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220)—Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income* (“ASU 2018-02”), which allows entities to reclassify accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Act. This update is effective for interim and annual reporting periods beginning after December 15, 2018, with early adoption permitted. The update should be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the income tax rate change resulting from the Act is recognized. The Company is currently evaluating the impact of the adoption of ASU 2018-02 on its consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company seeks to reduce earnings and cash flow volatility associated with changes in interest rates and foreign currency exchange rates by entering into financial arrangements, from time to time, which are intended to provide an economic hedge against all or a portion of the risks associated with such volatility. The Company continues to have exposure to such risks to the extent they are not economically hedged.

The following table sets forth the scheduled maturities of the Company’s debt outstanding at June 30, 2018 (dollars in millions):

	Fiscal Year						
	2019	2020	2021	2022	2023	Thereafter	Total
Liabilities:							
Fixed rate debt ⁽¹⁾	\$ 0.4	\$ 300.3	\$ 0.1	\$ 300.0	\$ 350.0	\$ 550.0	\$ 1,500.8
Floating rate debt	\$ 165.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 165.0

(1) Excludes unamortized discounts and issuance costs.

The following table sets forth the carrying value and fair value of the Company’s debt and the average interest rates at June 30, 2018, and July 1, 2017 (dollars in millions):

	Carrying Value at June 30, 2018	Fair Value at at June 30, 2018	Carrying Value at July 1, 2017	Fair Value at July 1, 2017
Liabilities:				
Fixed rate debt ⁽¹⁾	\$ 1,500.8	\$ 1,520.4	\$ 1,501.1	\$ 1,576.5
Average interest rate		4.8 %		4.8 %
Floating rate debt	\$ 165.0	\$ 165.0	\$ 291.6	\$ 291.6
Average interest rate		2.7 %		2.1 %

(1) Excludes unamortized discounts and issuance costs. Fair value was estimated primarily based upon quoted market prices for the Company’s public long-term notes.

Many of the Company’s subsidiaries purchase and sell products in currencies other than their functional currencies. This subjects the Company to the risks associated with fluctuations in foreign currency exchange rates. The Company reduces this risk by utilizing natural hedging (i.e., offsetting receivables and payables) as well as by creating offsetting positions through the use of derivative financial instruments, primarily forward foreign currency exchange contracts typically with maturities of less than sixty days (“economic hedges”), but not greater than one year. The Company continues to have exposure to foreign currency risks to the extent they are not hedged. The Company adjusts any economic hedges to fair value through the consolidated statements of operations primarily within “other (income) expense, net.” Therefore, the changes in valuation of the underlying items being economically hedged are offset by the changes in fair

value of the forward foreign currency exchange contracts. A hypothetical 10% change in foreign currency exchange rates under the forward foreign currency exchange contracts outstanding at June 30, 2018 would result in an increase or decrease of approximately \$60.0 million to the fair value of the forward foreign currency exchange contracts, which would generally be offset by an opposite effect on the underlying exposure being economically hedged. See Note 4 to the Company's consolidated financial statements included in Item 15 of this Annual Report on Form 10-K for further discussion on derivative financial instruments.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data are listed under Item 15 of this Report.

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

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

The Company's management, including its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the reporting period covered by this report on Form 10-K. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report on Form 10-K, the Company's disclosure controls and procedures are effective such that material information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management, including the Company's principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

The Company's management, including its Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act. The Company's internal control over financial reporting is 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 in the United States of America. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of June 30, 2018. In making this assessment, management used the 2013 framework established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that the Company maintained effective internal control over financial reporting as of June 30, 2018.

The Company's independent registered public accounting firm, KPMG LLP, has audited the effectiveness of the Company's internal controls over financial reporting as of June 30, 2018, as stated in its audit report which is included herein.

Changes in Internal Control Over Financial Reporting

During the fourth quarter of fiscal 2018, there were no changes to the Company's internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

The information called for by Item 10 is incorporated in this Report by reference to the Company's definitive proxy statement relating to the Annual Meeting of Stockholders anticipated to be held on November 16, 2018.

Item 11. *Executive Compensation*

The information called for by Item 11 is incorporated in this Report by reference to the Company's definitive proxy statement relating to the Annual Meeting of Stockholders anticipated to be held on November 16, 2018.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information called for by Item 12 is incorporated in this Report by reference to the Company's definitive proxy statement relating to the Annual Meeting of Stockholders anticipated to be held on November 16, 2018.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information called for by Item 13 is incorporated in this Report by reference to the Company's definitive proxy statement relating to the Annual Meeting of Shareholders anticipated to be held on November 16, 2018.

Item 14. *Principal Accounting Fees and Services*

The information called for by Item 14 is incorporated in this Report by reference to the Company's definitive proxy statement relating to the Annual Meeting of Stockholders anticipated to be held on November 16, 2018.

PART IV

Item 15. Exhibits and Financial Statement Schedules

a. The following documents are filed as part of this Report:

	<u>Page</u>
1. Consolidated Financial Statements:	
Report of Independent Registered Public Accounting Firm	43
Avnet, Inc. and Subsidiaries Consolidated Financial Statements:	
Consolidated Balance Sheets at June 30, 2018 and July 1, 2017	44
Consolidated Statements of Operations for the years ended June 30, 2018, July 1, 2017 and July 2, 2016	45
Consolidated Statements of Comprehensive Income for the years ended June 30, 2018, July 1, 2017 and July 2, 2016	46
Consolidated Statements of Shareholders' Equity for the years ended June 30, 2018, July 1, 2017, and July 2, 2016	47
Consolidated Statements of Cash Flows for the years ended June 30, 2018, July 1, 2017 and July 2, 2016	48
Notes to Consolidated Financial Statements	49
2. Financial Statement Schedule:	
Schedule II (Valuation and Qualifying Accounts) for the years ended June 30, 2018, July 1, 2017 and July 2, 2016	79
Schedules other than that above have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto	
3. Exhibits	80

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Avnet, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Avnet, Inc. and subsidiaries (the “Company”) as of June 30, 2018 and July 1, 2017, the related consolidated statements of operations, comprehensive income, shareholders’ equity, and cash flows for each of the years in the three-year period ended June 30, 2018, and the related notes and financial statement schedule, (collectively, the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of June 30, 2018, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2018 and July 1, 2017, and the results of its operations and its cash flows for each of the years in the three-year period ended June 30, 2018, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2018, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinion

The Company’s management is responsible for these consolidated financial statements, 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 Report on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company’s consolidated financial statements and an opinion on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

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.

/s/ KPMG LLP

We have served as the Company’s auditor since 2002.

Phoenix, Arizona
August 17, 2018

**AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

	June 30, 2018	July 1, 2017
(Thousands, except share amounts)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 621,125	\$ 836,384
Marketable securities	—	281,326
Receivables, less allowances of \$48,959 and \$47,272, respectively	3,641,139	3,337,624
Inventories	3,141,822	2,824,709
Prepaid and other current assets	206,513	253,765
Total current assets	7,610,599	7,533,808
Property, plant and equipment, net	522,909	519,575
Goodwill	980,872	1,148,347
Intangible assets, net	219,913	277,291
Other assets	262,552	220,568
Total assets	<u>\$ 9,596,845</u>	<u>\$ 9,699,589</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 165,380	\$ 50,113
Accounts payable	2,269,478	1,861,635
Accrued expenses and other	534,603	542,023
Total current liabilities	2,969,461	2,453,771
Long-term debt	1,489,219	1,729,212
Other liabilities	453,084	334,538
Total liabilities	4,911,764	4,517,521
Commitments and contingencies (Note 14)		
Shareholders' equity:		
Common stock \$1.00 par; authorized 300,000,000 shares; issued 115,825,062 shares and 123,080,952 shares, respectively	115,825	123,081
Additional paid-in capital	1,528,713	1,503,490
Retained earnings	3,235,894	3,799,363
Accumulated other comprehensive (loss) income	(195,351)	(243,866)
Total shareholders' equity	4,685,081	5,182,068
Total liabilities and shareholders' equity	<u>\$ 9,596,845</u>	<u>\$ 9,699,589</u>

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
	(Thousands, except per share amounts)		
Sales	\$ 19,036,892	\$ 17,439,963	\$ 16,740,597
Cost of sales	16,509,708	15,070,521	14,662,651
Gross profit	2,527,184	2,369,442	2,077,946
Selling, general and administrative expenses	1,970,103	1,770,627	1,460,273
Goodwill impairment expense (Note 7)	181,440	—	—
Restructuring, integration and other expenses	145,125	137,415	44,761
Operating income	230,516	461,400	572,912
Other income (expense), net	17,086	(44,305)	(2,963)
Interest expense	(102,525)	(106,691)	(91,936)
Income from continuing operations before taxes	145,077	310,404	478,013
Income tax expense	287,966	47,053	87,104
Income (loss) from continuing operations, net of tax	(142,889)	263,351	390,909
Income (loss) from discontinued operations, net of tax	(13,535)	261,927	115,622
Net (loss) income	\$ (156,424)	\$ 525,278	\$ 506,531
Earnings (loss) per share - basic:			
Continuing operations	\$ (1.19)	\$ 2.07	\$ 2.99
Discontinued operations	(0.11)	2.06	0.88
Net (loss) income per share basic	\$ (1.30)	\$ 4.13	\$ 3.87
Earnings (loss) per share - diluted:			
Continuing operations	\$ (1.19)	\$ 2.05	\$ 2.93
Discontinued operations	(0.11)	2.03	0.87
Net (loss) income per share diluted	\$ (1.30)	\$ 4.08	\$ 3.80
Shares used to compute earnings per share:			
Basic	119,909	127,032	130,858
Diluted	119,909	128,651	133,173
Cash dividends paid per common share	\$ 0.74	\$ 0.70	\$ 0.68

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
	(Thousands)		
Net (loss) income	\$ (156,424)	\$ 525,278	\$ 506,531
Other comprehensive (loss) income, net of tax:			
Foreign currency translation and other	7,799	94,116	(45,355)
Impact of TS business divestiture (Note 3)	—	181,465	—
Pension adjustments, net	40,716	1,328	(34,382)
Total comprehensive (loss) income	<u>\$ (107,909)</u>	<u>\$ 802,187</u>	<u>\$ 426,794</u>

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Years Ended June 30, 2018, July 1, 2017 and July 2, 2016

	Common Stock- Shares	Common Stock- Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
(Thousands)						
Balance, June 27, 2015	135,496	\$ 135,496	\$ 1,407,964	\$ 3,582,599	\$ (441,038)	\$ 4,685,021
Net income	—	—	—	506,531	—	506,531
Translation adjustments	—	—	—	—	(45,355)	(45,355)
Pension liability adjustments, net of tax of \$21,356	—	—	—	—	(34,382)	(34,382)
Cash dividends	—	—	—	(88,594)	—	(88,594)
Repurchases of common stock	(9,270)	(9,270)	—	(368,265)	—	(377,535)
Stock-based compensation	1,151	1,151	44,449	—	—	45,600
Balance, July 2, 2016	127,377	127,377	1,452,413	3,632,271	(520,775)	4,691,286
Net income	—	—	—	525,278	—	525,278
Translation adjustments and other	—	—	—	—	275,581	275,581
Pension liability adjustments, net of tax of \$1,181	—	—	—	—	1,328	1,328
Cash dividends	—	—	—	(88,657)	—	(88,657)
Repurchases of common stock	(6,355)	(6,355)	—	(269,529)	—	(275,884)
Stock-based compensation	2,059	2,059	51,077	—	—	53,136
Balance, July 1, 2017	123,081	123,081	1,503,490	3,799,363	(243,866)	5,182,068
Net (loss) income	—	—	—	(156,424)	—	(156,424)
Translation adjustments	—	—	—	—	7,799	7,799
Pension liability adjustments, net of tax of \$18,187	—	—	—	—	40,716	40,716
Cash dividends	—	—	—	(88,255)	—	(88,255)
Repurchases of common stock	(8,151)	(8,151)	—	(318,790)	—	(326,941)
Stock-based compensation	895	895	25,223	—	—	26,118
Balance, June 30, 2018	115,825	\$ 115,825	\$ 1,528,713	\$ 3,235,894	\$ (195,351)	\$ 4,685,081

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
	(Thousands)		
Cash flows from operating activities:			
Net (loss) income	\$ (156,424)	\$ 525,278	\$ 506,531
Less: Income (loss) from discontinued operations, net of tax	(13,535)	261,927	115,622
Income (loss) from continuing operations	(142,889)	263,351	390,909
Non-cash and other reconciling items:			
Depreciation	143,397	101,407	70,344
Amortization	91,475	53,953	9,246
Deferred income taxes	(87,141)	(17,705)	107,598
Stock-based compensation	23,990	47,686	56,908
Goodwill impairment expense	181,440	—	—
Other, net	49,383	29,104	29,379
Changes in (net of effects from businesses acquired and divested):			
Receivables	(296,175)	(371,820)	191,209
Inventories	(308,663)	84,408	(416,644)
Accounts payable	409,608	163,604	(326,217)
Accrued expenses and other, net	189,060	(132,941)	(161,607)
Net cash flows provided (used) by operating activities - continuing operations	253,485	221,047	(48,875)
Net cash flows (used) provided by operating activities - discontinued operations	—	(589,738)	273,190
Net cash flows provided (used) by operating activities	253,485	(368,691)	224,315
Cash flows from financing activities:			
Issuance of notes, net of issuance costs	—	296,374	541,500
Repayment of notes	—	(530,800)	(250,000)
Borrowings (repayments) under accounts receivable securitization, net	(37,000)	(588,000)	79,996
Borrowings (repayments) under senior unsecured credit facility, net	8,850	(50,029)	101,200
Borrowings (repayments) under bank credit facilities and other debt, net	(97,954)	27,877	18,695
Borrowings of term loans	—	530,756	—
Repayments of term loans	—	(511,358)	—
Repurchases of common stock	(323,516)	(275,884)	(380,943)
Dividends paid on common stock	(88,255)	(88,657)	(88,594)
Other, net	(4,018)	(1,870)	(11,448)
Net cash flows (used) provided by financing activities - continuing operations	(541,893)	(1,191,591)	10,406
Net cash flows provided by financing activities - discontinued operations	—	3,447	22,949
Net cash flows (used) provided by financing activities	(541,893)	(1,188,144)	33,355
Cash flows from investing activities:			
Purchases of property, plant and equipment	(155,873)	(120,397)	(137,375)
Acquisitions of businesses, net of cash acquired (Note 2)	(15,254)	(802,744)	—
Other, net	6,653	18,656	15,574
Net cash flows used for investing activities - continuing operations	(164,474)	(904,485)	(121,801)
Net cash flows provided (used) by investing activities - discontinued operations	236,205	2,242,959	(30,712)
Net cash flows provided (used) by investing activities	71,731	1,338,474	(152,513)
Effect of currency exchange rate changes on cash and cash equivalents	1,418	23,267	(6,232)
Cash and cash equivalents:			
— (decrease) increase	(215,259)	(195,094)	98,925
— at beginning of period	836,384	1,031,478	932,553
— at end of period	\$ 621,125	\$ 836,384	\$ 1,031,478

Additional cash flow information (Note 16)

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies

Basis of presentation — The accompanying consolidated financial statements include the accounts of Avnet, Inc. and all of its majority-owned and controlled subsidiaries (the “Company” or “Avnet”). All intercompany and intracompany accounts and transactions have been eliminated. Unless indicated otherwise, the information in the Notes to the consolidated financial statements relates to the Company’s continuing operations and does not include the results of discontinued operations.

Reclassifications — Certain prior period amounts have been reclassified to conform to the current period presentation including the presentation of discontinued operations.

Fiscal year — The Company operates on a “52/53 week” fiscal year, which ends on the Saturday closest to June 30th. Fiscal 2018 and 2017 contain 52 weeks compared to 53 weeks in fiscal 2016. Unless otherwise noted, all references to “fiscal” or any other “year” shall mean the Company’s fiscal year.

Management estimates — The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, reported amounts of sales and expenses and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ materially from those estimates.

Cash and cash equivalents — The Company considers all highly liquid investments with an original maturity of three months or less including money market funds to be cash equivalents.

Inventories — Inventories, comprised principally of finished goods, are stated at the lower of cost or net realizable value, whichever is lower. The Company regularly reviews the cost of inventory against its estimated net realizable value, considering historical experience and any contractual rights of return, stock rotations, obsolescence allowances or price protections provided by the Company’s suppliers, and records a lower of cost or net realizable value write-down if any inventories have a cost in excess of their estimated net realizable value. The Company does not incorporate any non-contractual protections when estimating the net realizable value of its inventories.

Depreciation, amortization and useful lives — The Company reports property, plant and equipment at cost, less accumulated depreciation. Cost includes the price paid to acquire or construct the assets, required installation costs, interest capitalized during the construction period, and any expenditure that substantially adds to the value of or substantially extends the useful life of an existing asset. Additionally, the Company capitalizes qualified costs related to software obtained or developed for internal use as a component of property, plant and equipment. Software obtained for internal use has generally been enterprise-level business operations, logistics and finance software that is customized to meet the Company’s specific operational requirements. The Company begins depreciation and amortization (“depreciation”) for property, plant and equipment when an asset is both in the location and condition for its intended use.

Property, plant, and equipment is depreciated using the straight-line method over its estimated useful lives. The estimated useful lives for property, plant, and equipment are typically as follows: buildings — 30 years; machinery, fixtures and equipment — 2-10 years; information technology hardware and software — 2-10 years; and leasehold improvements — over the applicable minimum lease term or economic useful life if shorter.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company amortizes intangible assets acquired in business combinations using the straight-line method over the estimated economic useful lives of the intangible assets from the date of acquisition, which is generally between 5-10 years.

Long-lived assets impairment — Long-lived assets, including property, plant and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. For purposes of recognition and measurement of an impairment loss, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (“asset group”). An impairment is recognized when the estimated undiscounted cash flows expected to result from the use of the asset group and its eventual disposition is less than its carrying amount. An impairment is measured as the amount by which an asset group’s carrying value exceeds its estimated fair value. The Company considers a long-lived asset to be abandoned when it has ceased use of such abandoned asset and if the Company has no intent to use or repurpose the asset in the future. The Company continually evaluates the carrying value and the remaining economic useful life of long-lived assets and will adjust the carrying value and remaining useful life if and when appropriate.

Goodwill — Goodwill represents the excess of the purchase price of acquired businesses over the estimated fair value assigned to the individual assets acquired and liabilities assumed. The Company does not amortize goodwill, but instead tests goodwill for impairment at least annually in the fourth quarter and, if necessary, records any impairment resulting from such goodwill impairment testing as a component of operating expenses. Impairment testing is performed at the reporting unit level, which is defined as the same, or one level below, an operating segment. The Company will perform an interim impairment test between required annual tests if facts and circumstances indicate that it is more likely than not that the fair value of a reporting unit that has goodwill is less than its carrying value.

In performing goodwill impairment testing, the Company may first make a qualitative assessment of whether it is more-likely-than-not that a reporting unit’s fair value is less than its carrying value. If the qualitative assessment indicates it is more-likely-than-not that a reporting unit’s fair value is not greater than its carrying value, the Company must perform a quantitative impairment test. The Company defines the fair value of a reporting unit as the price that would be received to sell the reporting unit as a whole in an orderly transaction between market participants as of the impairment test date. To determine the fair value of a reporting unit, the Company primarily uses the income approach methodology of valuation, which includes the discounted cash flow method, and the market approach methodology of valuation, which considers values of comparable businesses to estimate the fair value of the Company’s reporting units.

Significant management judgment is required when estimating the fair value of the Company’s reporting units from a market participant perspective including the forecasting of future operating results, the discount rates and expected future growth rates used in the discounted cash flow method of valuation, and in the selection of comparable businesses and related market multiples that are used in the market approach. If the estimated fair value of a reporting unit exceeds the carrying value assigned to that reporting unit, goodwill is not impaired. If the estimated fair value of a reporting unit is less than the carrying value assigned to that reporting unit, then a goodwill impairment loss is measured based on such difference.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Foreign currency translation — The assets and liabilities of foreign operations are translated into U.S. Dollars at the exchange rates in effect at the balance sheet date, with the related translation adjustments reported as a separate component of shareholders' equity and comprehensive income (loss). Results of operations are translated using the average exchange rates prevailing throughout the period. Transactions denominated in currencies other than the functional currency of the Avnet subsidiaries that are party to the transactions are remeasured at exchange rates in effect at the balance sheet date or upon settlement of the transaction. Gains and losses from such remeasurements are recorded in the consolidated statements of operations as a component of "other income (expense), net."

Income taxes — The Company follows the asset and liability method of accounting for income taxes. Deferred income tax assets and liabilities are recognized for the estimated future tax impact of differences between the consolidated financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized within income tax expense in the period in which the new rate is enacted. Based upon historical and estimated levels of future taxable income and analysis of other key factors, the Company may increase or decrease a valuation allowance against its deferred tax assets, as deemed necessary, to state such assets at their estimated net realizable value.

The Company establishes contingent liabilities for potentially unfavorable outcomes of positions taken on certain tax matters. These liabilities are based on management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by the relevant tax authorities. There may be differences between the estimated and actual outcomes of these matters that may result in future changes in estimates to such unrecognized tax benefits. To the extent such changes in estimates are required, the Company's effective tax rate may potentially fluctuate as a result. In accordance with the Company's accounting policies, accrued interest and penalties related to unrecognized tax benefits are recorded as a component of income tax expense.

Self-insurance — In the U.S., the Company is primarily self-insured for medical, workers' compensation, and general, product and automobile liability costs; however, the Company also has stop-loss insurance policies in place to limit the Company's exposure to individual and aggregate claims made. Liabilities for these programs are estimated based upon outstanding claims and claims estimated to be incurred but not yet reported based upon historical loss experience. These estimates are subject to variability due to changes in trends of losses for outstanding claims and incurred but not reported claims, including external factors such as the number of and cost of claims, benefit level changes and claim settlement patterns.

Revenue recognition — Revenue from the sale of products or services is recognized when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the sales price is fixed or determinable and collectability is reasonably assured. Generally, these criteria are met upon either shipment or delivery to customers, depending upon the sales terms.

In addition, the Company has certain contractual relationships with its customers and suppliers whereby Avnet assumes an agency relationship in the sales transaction primarily related to the performance of fulfillment logistics services to deliver product for which the Company is not the primary obligor. In such agency arrangements, the Company recognizes the net fee associated with serving as an agent within sales with no associated cost of sales.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Revenues are recorded net of discounts, customer rebates and estimated returns. Provisions are made for discounts and customer rebates, which are primarily timing or volume specific, and are estimated based on historical trends and anticipated customer buying patterns. Provisions for returns and other sales adjustments are estimated based on historical sales returns experience, credit memo experience and other known factors.

Vendor allowances and consideration — Consideration received from suppliers for price protection, product rebates, marketing/promotional activities, or any other programs are recorded when earned under the terms and conditions of such supplier programs as adjustments to product costs or selling, general and administrative expenses depending upon the nature and contractual requirements related to the consideration received. Some of these supplier programs require management to make estimates and may extend over one or more reporting periods.

Comprehensive income (loss) — Comprehensive income (loss) represents net income for the year adjusted for certain changes in shareholders' equity. Accumulated comprehensive income (loss) items impacting comprehensive income (loss) includes foreign currency translation and the impact of the Company's pension liability adjustments, net of tax.

Stock-based compensation — The Company measures stock-based payments at fair value and generally recognizes the associated operating expense in the consolidated statements of operations over the requisite service period (see Note 13). A stock-based payment is considered vested for accounting expense attribution purposes when the employee's retention of the award is no longer contingent on providing continued service. Accordingly, the Company recognizes all stock-based compensation expense for awards granted to retirement eligible employees over the period from the grant date to the date retirement eligibility is achieved, if less than the stated requisite service period. The expense attribution approach for retirement eligible employees does not affect the overall amount of compensation expense recognized, but instead accelerates the recognition of such expense.

Restructuring and exit activities — The determination of when the Company accrues for involuntary termination benefits under restructuring plans depends on whether the termination benefits are provided under an on-going benefit arrangement or under a one-time benefit arrangement. The Company accounts for on-going benefit arrangements in accordance with Accounting Standards Codification 712 ("ASC 712") *Nonretirement Postemployment Benefits* and accounts for one-time benefit arrangements in accordance with ASC 420 *Exit or Disposal Cost Obligations*. If applicable, the Company records such costs into operating expense over the terminated employee's future service period beyond any minimum retention period. Other costs associated with restructuring or exit activities may include contract termination costs including operating leases and impairments of long-lived assets, which are expensed in accordance with ASC 420 *Exit or Disposal Cost Obligations* and ASC 360 *Property, Plant and Equipment*, respectively.

Business combinations — The Company accounts for business acquisitions using the acquisition method of accounting and records any identifiable definite-lived intangible assets separate from goodwill. Intangible assets are recorded at their fair value based on estimates as of the date of acquisition. Goodwill is recorded as the residual amount of the purchase price consideration less the fair value assigned to the individual identifiable assets acquired and liabilities assumed as of the date of acquisition. Contingent consideration, which represents an obligation of the Company to transfer additional assets or equity interests to the former owner as part of the purchase price if specified future events occur or conditions are met, is accounted for at the acquisition date fair value either as a liability or as equity depending on the terms of the acquisition agreement.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Concentration of credit risk — Financial instruments that potentially subject the Company to a concentration of credit risk principally consist of cash and cash equivalents, marketable securities and trade accounts receivable. The Company invests its excess cash primarily in overnight time deposits and institutional money market funds with highly rated financial institutions. To reduce credit risk, management performs ongoing credit evaluations of its customers' financial condition and, in some instances, has obtained credit insurance coverage to reduce such risk. The Company maintains reserves for potential credit losses from customers, but has not historically experienced material losses related to individual customers or groups of customers in any particular end market or geographic area.

Fair value — The Company measures financial assets and liabilities at fair value based upon an exit price, representing the amount that would be received from the sale of an asset or paid to transfer a liability, in an orderly transaction between market participants. ASC 820, *Fair Value Measurements*, requires inputs used in valuation techniques for measuring fair value on a recurring or non-recurring basis be assigned to a hierarchical level as follows: Level 1 are observable inputs that reflect quoted prices for identical assets or liabilities in active markets, Level 2 are observable market-based inputs or unobservable inputs that are corroborated by market data and Level 3 are unobservable inputs that are not corroborated by market data. During fiscal 2018, 2017, and 2016, there were no transfers of assets measured at fair value between the three levels of the fair value hierarchy. The carrying amounts of the Company's financial instruments, including cash and cash equivalents, receivables and accounts payable approximate their fair values at June 30, 2018 due to the short-term nature of these assets and liabilities. At June 30, 2018, and July 1, 2017, the Company had \$6.1 million and \$208.3 million, respectively, of cash equivalents that were measured at fair value based upon Level 1 criteria. The Company's investments in marketable securities were also measured at fair value based upon Level 1 criteria. See Note 4 for discussion of the fair value of the Company's derivative financial instruments, Note 8 for discussion of the fair value of the Company's long-term debt and Note 11 for a discussion of the fair value of the Company's pension plan assets.

Derivative financial instruments — See Note 4 for discussion of the Company's accounting policies related to derivative financial instruments.

Marketable securities — The Company determines the classification of investments in marketable securities at the time of acquisition and reevaluates such designation at each reporting period. The Company has classified its investment in marketable securities as trading with any realized or unrealized changes in fair value being classified within other (expense) income, net in the consolidated statements of operations. See Note 3 for further discussion about marketable securities.

Accounts receivable securitization — The Company has an accounts receivable securitization program whereby the Company sells certain receivables and retains a subordinated interest and servicing rights to those receivables. The securitization program does not qualify for off-balance sheet sales accounting and is accounted for as a secured financing as discussed further in Note 8.

Recently adopted accounting pronouncements — In May 2017, the FASB issued ASU 2017-09, "*Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting*" (ASU 2017-09), which provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. ASU 2017-09 is effective for annual periods beginning after December 15, 2017, with early adoption permitted, including adoption in any interim period for which financial statements have not yet been issued. The Company adopted this standard in its fourth quarter of fiscal 2018, which did not have an impact on its consolidated financial statements as there were no changes to terms and conditions of previously granted share-based payment awards

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

in the period of adoption.

2. Acquisitions

Dragon Innovation

In August 2017, the Company acquired Dragon Innovation, Inc. (“Dragon”), a provider of manufacturing logistics services. The impact of this acquisition was not material to the Company’s consolidated balance sheets or consolidated statements of operations.

3. Discontinued operations

In February 2017, the Company completed the sale of its Technology Solutions (“TS”) business to Tech Data Corporation (the “Buyer”). Included in the gain on sale recorded upon completion of the sale in fiscal 2017 were estimates for additional cash consideration due from the Buyer related to a closing date net working capital sales price adjustment (the “closing date adjustment”) and income taxes owed by the Company on the gain. The income taxes payable associated with the gain are impacted by the final geographic allocation of the sales price, which must be agreed to with the Buyer after determination of the closing date adjustment. During the fourth quarter of fiscal 2018, the Company made changes to the estimated closing date adjustment based upon the expected outcome of a negotiated settlement with the Buyer being probable of occurring as of June 30, 2018. The Company also made a change in estimate to the income taxes payable on the gain. These changes in estimates in the fourth quarter of fiscal 2018 were not material and are classified within income (loss) from discontinued operations as such changes in estimates impact the gain on the sale of the TS business.

In August 2018, subsequent to the end of fiscal 2018, the Company executed a final settlement agreement with the Buyer, the terms of which were consistent with the estimates made as of June 30, 2018, resulting in a final closing date adjustment of \$120.0 million and a final geographic allocation of the TS business sales price for tax reporting purposes. The incremental consideration received from the sale of the TS business will be classified as cash flow from discontinued operations investing activities in the first quarter of fiscal 2019.

The Company received 2.8 million shares of the Buyer’s common stock at closing (the “Shares”), which were recorded within “Marketable securities” on the Company’s Consolidated Balance Sheets. Unrealized and realized gains or losses due to changes in fair value based upon Level 1 quoted active market prices of the Shares are recorded in “Other income (expense), net” on the Consolidated Statements of Operations. During fiscal 2017, the Company recorded \$34.1 million of unrealized gains on the shares due to changes in fair value between the closing date and July 1, 2017. The sales agreement included time based contractual restrictions related to the Company’s sale of the Shares and as such, the Company entered into economic hedges to reduce the Company’s exposure to price fluctuations of the Shares during the restricted period, which fixes the net amount that the Company will realize upon the sale of the Shares. The Company records changes in fair value related to the economic share price hedges within “Other income (expense), net”, offsetting the changes in fair value of the underlying Shares. During fiscal 2018, the Company sold all of the 2.8 million Shares and the net proceeds of \$247.4 million have been included in “Cash flows from investing activities – discontinued operations.”

In connection with the sale of the TS business, the Company entered into a Transition Services Agreement (“TSA”), pursuant to which the Buyer will pay the Company to provide certain information technology, distribution, facilities, finance and human resources related services for various periods of time depending upon the services not to exceed approximately two years from the closing date. Expenses incurred by the Company to provide such services under the

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

TSA are classified within selling, general and administrative expenses and amounts billed to the Buyer to provide such services are classified as a reduction of such expenses. As of end of fiscal 2018, the Buyer has formally terminated substantially all TSA services outside of certain minor information technology services and all remaining TSA services are expected to be terminated by the first half of fiscal 2019.

Financial results of the TS business for fiscal 2017 and fiscal 2016 including the gain on sale are presented as “Income (loss) from discontinued operations, net of tax” on the Consolidated Statements of Operations and are summarized as follows:

	Years Ended	
	July 1, 2017	July 2, 2016
	(Thousands)	
Sales	\$ 5,432,140	\$ 9,478,682
Cost of sales	4,883,945	8,519,117
Gross profit	548,195	959,565
Selling, general and administrative expenses	430,003	710,251
Restructuring, integration and other expenses	7,280	34,557
Operating income	110,912	214,757
Interest and other expense, net	(24,291)	(22,261)
Income from discontinued operations before income taxes	86,621	192,496
Income tax expense	47,050	76,874
Income from discontinued operations, net of taxes	39,571	115,622
Gain on sales of discontinued operations, net of tax	222,356	—
Net income from discontinued operations, net of taxes	\$ 261,927	\$ 115,622

Included within the estimated gain on sale of \$222.4 million, net of tax, recorded in fiscal 2017, was \$181.5 million of expense reclassified out of accumulated comprehensive income primarily related to TS business cumulative translation adjustments.

Included within selling, general and administrative expenses of discontinued operations was \$34.9 million and \$47.3 million of corporate expenses specific to or benefiting the TS business for fiscal 2017 and fiscal 2016, respectively.

During fiscal 2018, the Company recorded \$13.5 million of losses from discontinued operations, net of tax, of which \$14.9 million related to pension settlement expenses associated with former TS employee pension withdrawals discussed further in Note 11.

4. Derivative financial instruments

Many of the Company’s subsidiaries purchase and sell products in currencies other than their functional currencies. This subjects the Company to the risks associated with fluctuations in foreign currency exchange rates. The Company reduces this risk by utilizing natural hedging (e.g., offsetting receivables and payables in the same foreign currency) as well as by creating offsetting positions through the use of derivative financial instruments, primarily forward foreign exchange contracts typically with maturities of less than 60 days (“economic hedges”), but no longer than one year. The Company continues to have exposure to foreign currency risks to the extent they are not economically hedged. The Company adjusts any economic hedges to fair value through the consolidated statements of operations primarily within

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

“other income (expense), net.” The fair value of forward foreign exchange contracts, which are based upon Level 2 criteria under the ASC 820 fair value hierarchy, are classified in the captions “Prepaid and other current assets” or “accrued expenses and other,” as applicable, in the accompanying consolidated balance sheets as of June 30, 2018, and July 1, 2017. The Company’s master netting and other similar arrangements with various financial institutions related to derivative financial instruments allow for the right of offset. The Company’s policy is to present derivative financial instruments with the same counterparty as either a net asset or liability when the right of offset exists.

The Company generally does not hedge its investments in its foreign operations. The Company does not enter into derivative financial instruments for trading or speculative purposes and monitors the financial stability and credit standing of its counterparties.

The Company’s foreign currency exposure relates primarily to international transactions where the currency collected from customers can be different from the currency used to purchase from suppliers. The Company’s foreign operations transactions are denominated primarily in the following currencies: U.S. Dollar, Euro, British Pound, Canadian Dollar, Japanese Yen, Chinese Yuan, Taiwan Dollar and Mexican Peso. The Company also, to a lesser extent, has foreign operations transactions primarily in other European and Asia/Pacific foreign currencies.

The fair values of derivative financial instruments in the Company’s consolidated balance sheets are as follows:

	June 30, 2018	July 1, 2017
	(Thousands)	
Forward foreign currency exchange contracts not receiving hedge accounting treatment recorded in:		
Other current assets	\$ 2,259	\$ 7,297
Accrued expenses	7,083	4,142

In addition to amounts included in the above table, there was \$34.0 million of accrued expenses as of July 1, 2017, related to a derivative financial instrument used to economically hedge the fair value changes in marketable securities discussed further in Note 3.

The amount recorded to other income (expense), net related to derivative financial instruments are as follows:

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
	(Thousands)		
Net derivative financial instrument gain (loss)	\$ 2,735	\$ (8,624)	\$ 274

The table above excludes approximately \$35.0 million of loss for fiscal 2017, of derivative financial instrument losses in other income (expenses), net, associated with foreign currency derivative financial instruments purchased to economically hedge the British Pound purchase price of the Premier Farnell acquisition and approximately \$34.0 million of derivative financial instrument losses that economically hedge the unrealized gain from marketable securities, which is also classified within other income (expenses), net, as discussed further in Note 3.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Under the Company's economic hedging policies, gains and losses on the derivative financial instruments are classified within the same line item in the consolidated statements of operations as the remeasurement of the underlying assets or liabilities being economically hedged.

5. Shareholders' equity

Accumulated comprehensive (loss) income

The following table includes the balances within accumulated other comprehensive (loss) income:

	June 30, 2018	July 1, 2017	July 2, 2016
	(Thousands)		
Accumulated translation adjustments and other	\$ (78,848)	\$ (86,647)	\$ (362,228)
Accumulated pension liability adjustments, net of income taxes	(116,503)	(157,219)	(158,547)
Total accumulated other comprehensive (loss) income	<u>\$ (195,351)</u>	<u>\$ (243,866)</u>	<u>\$ (520,775)</u>

Amounts reclassified out of accumulated comprehensive (loss) income, net of tax, to operating expenses and discontinued operations during fiscal 2018, 2017 and 2016 substantially all related to net periodic pension costs as discussed further in Note 11 and cumulative translation adjustment from the sale of the TS business discussed further in Note 3.

Share repurchase program

In November 2017, the Company's Board of Directors amended the Company's existing share repurchase program to authorize the repurchase of up to \$1.95 billion of common stock in the open market or through privately negotiated transactions. The timing and actual number of shares repurchased will depend on a variety of factors such as share price, corporate and regulatory requirements, and prevailing market conditions. During fiscal 2018, the Company repurchased 8.2 million shares under this program at an average market price of \$40.11 per share for a total cost of \$326.9 million. Repurchased shares were retired. Since the beginning of the repurchase program through the end of fiscal 2018, the Company has repurchased 45.9 million shares at an aggregate cost of \$1.68 billion, and \$272.1 million remains available for future repurchases under the share repurchase program.

Common stock dividend

During fiscal 2018, the Company paid dividends of \$0.74 per common share and \$88.3 million in total.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Property, plant and equipment, net

Property, plant and equipment are recorded at cost and consist of the following:

	June 30, 2018	July 1, 2017
	(Thousands)	
Buildings	\$ 132,511	\$ 136,846
Machinery, fixtures and equipment	200,231	215,155
Information technology hardware and software	677,179	630,352
Leasehold improvements	106,242	99,208
Depreciable property, plant and equipment, gross	1,116,163	1,081,561
Accumulated depreciation	(758,041)	(667,700)
Depreciable property, plant and equipment, net	358,122	413,861
Land	41,984	41,627
Construction in progress	122,803	64,087
Property, plant and equipment, net	<u>\$ 522,909</u>	<u>\$ 519,575</u>

Depreciation expense including accelerated depreciation related to property, plant and equipment was \$143.4 million, \$101.4 million and \$70.3 million in fiscal 2018, 2017 and 2016, respectively. Interest expense capitalized during fiscal 2018, 2017 and 2016 was not material.

Included as a component of restructuring, integration and other expenses was \$52.9 million and \$16.0 million of accelerated depreciation expense for fiscal 2018 and 2017, respectively, associated with the changes in estimates of the useful life of the Company's existing ERP system in the Americas.

7. Goodwill and intangible assets

The following table presents the change in goodwill balances by reportable segment for fiscal year 2018.

	Electronic Components	Premier Farnell	Total
	(Thousands)		
Carrying value at July 1, 2017 ⁽¹⁾	\$ 635,048	\$ 513,299	\$ 1,148,347
Additions from acquisitions	24,435	—	24,435
Impairment of goodwill	(181,440)	—	(181,440)
Foreign currency translation	936	3,202	4,138
Measurement period adjustments	720	(15,328)	(14,608)
Carrying value at June 30, 2018 ⁽²⁾	<u>\$ 479,699</u>	<u>\$ 501,173</u>	<u>\$ 980,872</u>

(1) Includes accumulated impairment of \$1,045.1 million from fiscal 2009

(2) Includes accumulated impairment of \$1,045.1 million from fiscal 2009 and \$181.4 million from fiscal 2018

In the third quarter of fiscal 2018, in conjunction with the commencement of the Company's annual long-term planning process, it became apparent that lower cash flows are expected from the EC Americas core reporting unit (the "Americas") over such planning horizon compared to prior year long-term cash flow expectations. As a result of the lower expected cash flows as well as certain other factors, the Company concluded that an interim quantitative goodwill impairment test for the Americas was necessary in the third quarter of fiscal 2018.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In assessing the Americas goodwill for impairment in the third quarter of fiscal 2018, the Company was required to make significant judgments related to the fair value of the Americas. The Company used a combination of an income approach, specifically a discounted cash flow methodology, and a market approach to estimate the fair value of the Americas. The discounted cash flow methodology includes market participant assumptions for, among other factors, forecasted sales, gross profit margins, operating expenses, cash flows, perpetual growth rates and long-term discount rates, all of which required judgments and estimates by management which are inherently uncertain. The market approach methodology required significant assumptions related to comparable transactions, market multiples, capital structure and control premiums.

As a result of the impairment testing and related fair value estimate of the Americas in the third quarter of fiscal 2018, the Company impaired goodwill in the Americas region of the EC operating group and recorded \$181.4 million of goodwill impairment expense, which is classified within goodwill impairment expense in the Consolidated Statements of Operations. The \$181.4 million of goodwill for the Americas primarily represented goodwill allocated from the acquisitions of Bell Micro, G2 and Round2, all of which occurred prior to fiscal 2011.

During the fourth quarter of fiscal 2018, the Company performed annual goodwill impairment testing for its remaining reporting units that have goodwill using a combination of qualitative and quantitative impairment testing and concluded that there was no impairment of goodwill. There was no impairment of goodwill in fiscal 2017 and fiscal 2016 based upon the Company's annual impairment tests performed in the fourth quarters of fiscal 2017 and 2016.

During the first quarter of fiscal 2018, the Company finalized its estimated acquisition date fair values for assets acquired and liabilities assumed related to the Premier Farnell acquisition, which occurred in October of fiscal 2017. The impact of these measurement period adjustments resulted in a decrease to goodwill of \$15.3 million, a net increase in intangible assets of \$24.9 million, and an increase in other long-term liabilities of \$9.6 million.

The following table presents the Company's acquired identifiable intangible assets:

	June 30, 2018			July 1, 2017		
	Acquired Amount	Accumulated Amortization	Net Book Value	Acquired Amount	Accumulated Amortization	Net Book Value
	(Thousands)					
Customer related	\$ 300,126	\$ (148,416)	\$ 151,710	\$ 277,865	\$ (79,578)	\$ 198,287
Trade name	54,391	(16,711)	37,680	46,915	(6,720)	40,195
Technology and other	<u>52,793</u>	<u>(22,270)</u>	<u>30,523</u>	<u>50,369</u>	<u>(11,560)</u>	<u>38,809</u>
	<u>\$ 407,310</u>	<u>\$ (187,397)</u>	<u>\$ 219,913</u>	<u>\$ 375,149</u>	<u>\$ (97,858)</u>	<u>\$ 277,291</u>

Intangible asset amortization expense was \$91.5 million, \$54.0 million and \$9.2 million for fiscal 2018, 2017 and 2016, respectively. Intangible assets have a weighted average remaining useful life of approximately 3 years as of June 30, 2018.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table presents the estimated future amortization expense for the next five fiscal years and thereafter (in thousands):

Fiscal Year	
2019	\$ 83,412
2020	81,201
2021	39,137
2022	12,336
2023	3,595
Thereafter	232
Total	\$ 219,913

8. Debt

Short-term debt consists of the following (in thousands):

	<u>June 30, 2018</u>	<u>July 1, 2017</u>	<u>June 30, 2018</u>	<u>July 1, 2017</u>
	<u>Interest Rate</u>		<u>Carrying Balance</u>	
Bank credit facilities and other	2.91 %	2.27 %	\$ 60,380	\$ 50,113
Accounts receivable securitization program	2.63 %	—	105,000	—
Short-term debt			\$ 165,380	\$ 50,113

Bank credit facilities and other consist of various committed and uncommitted lines of credit and other forms of bank debt with financial institutions utilized primarily to support the working capital requirements of the Company including its foreign operations.

The Company has an accounts receivable securitization program (the “Program”) in the United States with a group of financial institutions to allow the Company to transfer, on an ongoing revolving basis, an undivided interest in a designated pool of trade accounts receivable, to provide security or collateral for borrowings up to a maximum of \$400.0 million. The Program does not qualify for off-balance sheet accounting treatment and any borrowings under the Program are recorded as debt in the consolidated balance sheets. Under the Program, the Company legally sells and isolates certain U.S. trade accounts receivable into a wholly owned and consolidated bankruptcy remote special purpose entity. Such receivables, which are recorded within “Receivables” in the consolidated balance sheets, totaled \$790.5 million and \$807.5 million at June 30, 2018, and July 1, 2017, respectively. The Program contains certain covenants relating to the quality of the receivables sold. The Program also requires the Company to maintain certain minimum interest coverage and leverage ratios, which the Company was in compliance with as of June 30, 2018. The Program expires in August 2018 and as a result the Company has classified outstanding balances as short-term debt as of June 30, 2018. There were \$105.0 million in borrowings outstanding under the Program as of June 30, 2018, and \$142.0 million as of July 1, 2017. Interest on borrowings is calculated using a base rate or a commercial paper rate plus a spread of 0.40%. The facility fee is 0.40%.

In August 2018, subsequent to the end of fiscal 2018, the Company amended and extended the Program for a two-year term that expires in August 2020. The maximum borrowings of the Program increased to \$500.0 million with interest on borrowings being calculated using a one-month LIBOR rate plus a spread of 0.75%. The facility fee on the unused balance of the facility is up to 0.35%. The Program continues to require the same historical financial covenants related to minimum interest coverage and leverage ratios.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Long-term debt consists of the following (in thousands):

	<u>June 30, 2018</u>	<u>July 1, 2017</u>	<u>June 30, 2018</u>	<u>July 1, 2017</u>
	<u>Interest Rate</u>		<u>Carrying Balance</u>	
Revolving credit facilities:				
Accounts receivable securitization program	—	1.53 %	\$ —	\$ 142,000
Credit Facility	—	2.77 %	—	99,970
Public notes due:				
June 2020	5.88 %	5.88 %	300,000	300,000
December 2021	3.75 %	3.75 %	300,000	300,000
December 2022	4.88 %	4.88 %	350,000	350,000
April 2026	4.63 %	4.63 %	550,000	550,000
Other long-term debt	1.26 %	1.36 %	383	642
Long-term debt before discount and debt issuance costs			1,500,383	1,742,612
Discount and debt issuance costs – unamortized			(11,164)	(13,400)
Long-term debt			<u>\$ 1,489,219</u>	<u>\$ 1,729,212</u>

In June 2018, the Company amended the five-year \$1.25 billion senior unsecured revolving credit facility (the “Credit Facility”) with a syndicate of banks, consisting of revolving credit facilities and the issuance of up to \$200.0 million of letters of credit and up to \$300.0 million of loans in certain approved currencies, which expires in June 2023. Subject to certain conditions, the Credit Facility may be increased up to \$1.50 billion. Under the Credit Facility, the Company may select from various interest rate options, currencies and maturities. The Credit Facility contains certain covenants including various limitations on debt incurrence, share repurchases, dividends, investments and capital expenditures. The Credit Facility also includes financial covenants requiring the Company to maintain minimum interest coverage and leverage ratios, which the Company was in compliance with as of June 30, 2018. At June 30, 2018 and July 1, 2017 there were \$2.0 million and \$3.1 million, respectively, in letters of credit issued under the Credit Facility.

Aggregate debt maturities for the next five fiscal years and thereafter are as follows (in thousands):

2019	\$ 165,380
2020	300,241
2021	102
2022	300,027
2023	350,013
Thereafter	550,000
Subtotal	1,665,763
Discount and debt issuance costs – unamortized	(11,164)
Total debt	<u>\$ 1,654,599</u>

At June 30, 2018, the carrying value and fair value of the Company’s debt was \$1.65 billion and \$1.67 billion, respectively. At July 1, 2017, the carrying value and fair value of the Company’s debt was \$1.78 billion and \$1.85 billion, respectively. Fair value for the public notes was estimated based upon quoted market prices and for other debt instruments fair value approximates carrying value due to the market based variable nature of the interest rates on those debt facilities.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

9. Accrued expenses and other

Accrued expenses and other consist of the following:

	June 30, 2018	July 1, 2017
	(Thousands)	
Accrued salaries and benefits	\$ 220,245	\$ 205,979
Accrued operating costs	98,801	104,747
Accrued interest and banking costs	16,505	47,481
Accrued restructuring costs	29,225	16,996
Accrued income taxes	108,386	61,552
Accrued property, plant and equipment	23,400	6,491
Accrued other	38,041	98,777
Total accrued expenses and other	<u>\$ 534,603</u>	<u>\$ 542,023</u>

10. Income taxes

The components of income tax expense (“tax provision”) are included in the table below. The tax provision for deferred income taxes results from temporary differences arising primarily from net operating losses, inventories valuation, receivables valuation, certain accrued amounts and depreciation and amortization, net of any changes to valuation allowances.

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
	(Thousands)		
Current:			
Federal	\$ 255,810	\$ (45,351)	\$ (16,934)
State and local	(3,174)	4,209	(33)
Foreign	104,156	106,441	92,033
Total current taxes	<u>356,792</u>	<u>65,299</u>	<u>75,066</u>
Deferred:			
Federal	(70,172)	(30,025)	5,573
State and local	(10,551)	(3,934)	1,351
Foreign	11,897	15,713	5,114
Total deferred taxes	<u>(68,826)</u>	<u>(18,246)</u>	<u>12,038</u>
Income tax expense	<u>\$ 287,966</u>	<u>\$ 47,053</u>	<u>\$ 87,104</u>

The tax provision is computed based upon income from continuing operations before income taxes from both U.S. and foreign operations. U.S. income (loss) from continuing operations before income taxes was \$(385.1) million, \$(174.3) million and \$(2.7) million, in fiscal 2018, 2017 and 2016, respectively, and foreign income from continuing operations before income taxes was \$530.2 million, \$484.7 million and \$480.7 million in fiscal 2018, 2017 and 2016, respectively.

See further discussion related to income tax expense for discontinued operations in Note 3.

On December 22, 2017 the U.S. federal government enacted tax legislation (the “Act”) which includes provisions to lower the corporate income tax rate from 35% to 21%, impose new taxes on certain foreign earnings, limit deductibility of certain U.S. costs and levy a one-time deemed repatriation tax on accumulated offshore earnings, among other provisions. The law is subject to interpretation and implementation guidance by both federal and state tax authorities, as well as amendments and technical corrections.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

As a fiscal year-end taxpayer, certain provisions of the Act began to impact the Company in the second quarter of fiscal 2018, while other provisions will impact the Company beginning in fiscal 2019. The corporate tax rate reduction is effective as of January 1, 2018, resulting in a 2018 federal statutory rate of 28.0% for the Company's fiscal 2018.

During the third quarter of fiscal 2018, the Company recorded a provisional amount for the one-time mandatory deemed repatriation tax liability (the "transition tax") of \$230.0 million of which \$22.0 million is classified as a current income tax liability. The Company will continue to refine the provisional amount under Staff Accounting Bulletin 118 ("SAB 118") during the measurement period due to substantiation of foreign-based earnings and profits and foreign tax credits and the utilization of those foreign tax credits. Additionally, new guidance from regulators, interpretation of the law, and refinement of the Company's estimates from ongoing analysis of tax positions may change the provisional amounts recorded. Any changes in the provisional amount recorded will be reflected in income tax expense in the period they are identified, and may be material.

During the second quarter of fiscal year 2018, the Company recorded a provisional amount related to the remeasurement of deferred taxes at the new expected tax rates. In the fourth quarter of fiscal 2018, the Company revised the estimated impact to \$6.0 million. This estimate is provisional as the Company continues to analyze the impacts of the Act, including state income tax conformity considerations.

The Company continues to evaluate the impact of the Act including the Company's historical assertion related to ASC 740 *Income Taxes* unremitted earnings. The Company has not changed its historical assertion as of June 30, 2018 that its ASC 740 unremitted earnings are permanently reinvested. The Company believes any unrecorded liabilities related to this assertion are not material.

Reconciliations of the federal statutory tax rate to the effective tax rates are as follows:

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
U.S. federal statutory rate	28.0 %	35.0 %	35.0 %
State and local income taxes, net of federal benefit	(6.1)	(1.7)	0.3
Foreign tax rates, net of valuation allowances	(23.5)	(23.5)	(12.7)
Establishment/(release) of valuation allowance, net of U.S. tax expense	(0.1)	1.3	(1.7)
Change in contingency reserves	(7.4)	3.6	(2.5)
Tax audit settlements	4.5	0.1	(0.7)
Impact of the Act - transition tax	158.5	—	—
Impact of the Act - deferred tax effects	4.2	—	—
Goodwill impairment	35.1	—	—
Other, net	5.3	0.4	0.5
Effective tax rate - continuing operations	<u>198.5 %</u>	<u>15.2 %</u>	<u>18.2 %</u>

Foreign tax rates represents the impact of the difference between foreign rates and U.S. federal statutory rates applied to foreign income or loss and also includes the impact of valuation allowances established against the Company's otherwise realizable foreign deferred tax assets, which are primarily net operating loss carry-forwards.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Avnet's effective tax rate on income before income taxes from continuing operations was 198.5% in fiscal 2018 as compared with an effective tax rate of 15.2% in fiscal 2017. Included in the fiscal 2018 effective tax rate is a net tax benefit of \$34.1 million related to the mix of income in lower tax jurisdictions. The fiscal 2018 effective tax rate is higher than the fiscal 2017 effective tax rate due to the favorable mix of income, offset by tax expense from the transition tax and the goodwill impairment which was not tax deductible.

The Company applies the guidance in ASC 740 *Income Taxes*, which requires management to use its judgment to the appropriate weighting of all available evidence when assessing the need for the establishment or the release of valuation allowances. As part of this analysis, the Company examines all available evidence on a jurisdiction by jurisdiction basis and weighs the positive and negative evidence when determining the need for full or partial valuation allowances. The evidence considered for each jurisdiction includes, among other items: (i) the historic levels and types of income or losses over a range of time periods, which may extend beyond the most recent three fiscal years depending upon the historical volatility of income in an individual jurisdiction; (ii) expectations and risk associated with underlying estimates of future taxable income, including considering the historical trend of down-cycles in the Company's served industries; (iii) jurisdictional specific limitations on the utilization of deferred tax assets including when such assets expire; and (iv) prudent and feasible tax planning strategies.

The significant components of deferred tax assets and liabilities, included in "other assets" and "other liabilities" on the consolidated balance sheets, are as follows:

	June 30, 2018	July 1, 2017
	(Thousands)	
Deferred tax assets:		
Federal, state and foreign net operating loss carry-forwards	\$ 296,282	\$ 269,576
Inventories valuation	26,125	30,330
Receivables valuation	8,332	9,209
Various accrued liabilities and other	39,419	46,922
	<u>370,158</u>	<u>356,037</u>
Less — valuation allowances	<u>(239,483)</u>	<u>(241,687)</u>
	130,675	114,350
Deferred tax liabilities:		
Depreciation and amortization of property, plant and equipment	<u>(84,250)</u>	<u>(152,101)</u>
Net deferred tax assets (liabilities)	<u>\$ 46,425</u>	<u>\$ (37,751)</u>

In addition to net deferred tax assets (liabilities), the Company also has \$70.1 million and \$90.4 million of income tax related deferred charges included as a component of "other assets" in the consolidated balance sheets as of June 30, 2018, and July 1, 2017, respectively.

The change in valuation allowances in fiscal 2018 from fiscal 2017 was primarily due to the expiration of \$4.0 million of losses with a related valuation allowance.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

As of June 30, 2018, the Company had net operating and capital loss carry-forwards of approximately \$1.23 billion, of which \$40.0 million will expire during fiscal 2019 and fiscal 2020, substantially all of which have full valuation allowances, \$87.2 million have expiration dates ranging from fiscal 2021 to fiscal 2038, and the remaining \$1.10 billion have no expiration date. The carrying value of the Company's net operating and capital loss carry-forwards is dependent upon the Company's ability to generate sufficient future taxable income in certain foreign tax jurisdictions. In addition, the Company considers historic levels and types of income or losses, expectations and risk associated with estimates of future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for valuation allowances.

Estimated liabilities for unrecognized tax benefits are included in "accrued expenses and other" and "other liabilities" on the consolidated balance sheets. These contingent liabilities relate to various tax matters that result from uncertainties in the application of complex income tax regulations in the numerous jurisdictions in which the Company operates. As of June 30, 2018, unrecognized tax benefits were \$106.6 million. The estimated liability for unrecognized tax benefits included accrued interest expense and penalties of \$22.2 million and \$15.3 million, net of applicable state tax benefits, as of the end of fiscal 2018 and 2017, respectively.

Reconciliations of the beginning and ending liability balances for unrecognized tax benefits are as follows:

	June 30, 2018	July 1, 2017
	(Thousands)	
Balance at beginning of year	\$ 106,786	\$ 58,830
Additions for tax positions taken in prior periods, including interest	22,362	10,476
Reductions for tax positions taken in prior periods, including interest	(18,753)	(5,656)
Additions for tax positions taken in current period	13,476	13,659
Reductions related to settlements with taxing authorities	(6,674)	(203)
Reductions related to the lapse of applicable statutes of limitations	(14,355)	(5,790)
Adjustments related to foreign currency translation	673	2,772
Activity of discontinued operations	—	10,864
Additions from acquisitions	3,089	21,834
Balance at end of year	<u>\$ 106,604</u>	<u>\$ 106,786</u>

The evaluation of income tax positions requires management to estimate the ability of the Company to sustain its position and estimate the final benefit to the Company. To the extent that these estimates do not reflect the actual outcome there could be an impact on the consolidated financial statements in the period in which the position is settled, the applicable statutes of limitations expire or new information becomes available as the impact of these events are recognized in the period in which they occur. It is difficult to estimate the period in which the amount of a tax position will change as settlement may include administrative and legal proceedings whose timing the Company cannot control. The effects of settling tax positions with tax authorities and statute expirations may significantly impact the estimate for unrecognized tax benefits. Within the next twelve months, the Company estimates that approximately \$35.8 million of these liabilities for unrecognized tax benefits will be settled by the expiration of the statutes of limitations or through agreement with the tax authorities for tax positions related to valuation matters and positions related to acquired entities. The expected cash payment related to the settlement of these contingencies is approximately \$9.9 million.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company conducts business globally and consequently files income tax returns in numerous jurisdictions including those listed in the following table. It is also routinely subject to audit in these and other countries. The Company is no longer subject to audit in its major jurisdictions for periods prior to fiscal 2008. The years remaining subject to audit, by major jurisdiction, are as follows:

Jurisdiction	Fiscal Year
United States (Federal and state)	2014 - 2018
Taiwan	2013 - 2018
Hong Kong	2012 - 2018
Germany	2010 - 2018
Singapore	2008 - 2018
Belgium	2015 - 2018
United Kingdom	2016 - 2018
Canada	2011 - 2018

In connection with the sale of the TS business during fiscal 2017, several legal entities were sold to the Buyer and post-closing tax obligations are the responsibility of the Buyer. Under the terms of the sale agreement, the Company still maintains responsibility for certain pre-closing taxes including any amounts that arise from audits or other judgments received from tax authorities. The Company believes that its current estimates related to tax reserves and unrecognized tax benefits related to the TS business are reasonable, but future changes in facts and circumstances could result in significant changes in estimates that impact tax expense from discontinued operations in the period of change.

11. Pension and retirement plans

Pension Plan

The Company's principal defined benefit plan is a noncontributory defined benefit pension plan covering substantially all U.S. Employees (the "Plan"). In connection with the Company's acquisition of Premier Farnell ("PF") in fiscal 2017, the Company assumed all of PF's defined benefit obligations and related plan assets, including a closed noncontributory defined benefit pension plan in the U.S., which was merged with the Plan in January 2018.

The Company's Plan meets the definition of a defined benefit plan and as a result, the Company applies ASC 715 pension accounting to the Plan. The Plan is a cash balance plan that is similar in nature to a defined contribution plan in that a participant's benefit is defined in terms of stated account balances. The cash balance plan provides the Company with the benefit of applying any earnings on the Plan's investments beyond the fixed return provided to participants, toward the Company's future cash funding obligations. Employees are eligible to participate in the Plan following the first year of service during which they worked at least 1,000 hours.

The Plan provides defined benefits pursuant to a cash balance feature whereby a participant accumulates a benefit based upon a percentage of current salary, which varies with age, and interest credits. The Company uses its fiscal year end as the measurement date for determining pension expense and benefit obligations for each fiscal year.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table outlines changes in benefit obligations, plan assets and the funded status of the Plan as of the end of fiscal 2018 and 2017:

	June 30, 2018	July 1, 2017
	(Thousands)	
Changes in benefit obligations:		
Benefit obligations at beginning of year	\$ 772,068	\$ 588,511
Acquired benefit obligations	—	165,046
Service cost	15,834	29,623
Interest cost	23,732	19,323
Actuarial (gain) loss	(35,560)	15,686
Benefits paid	(23,499)	(46,121)
Settlements paid	(67,415)	—
Benefit obligations at end of year	<u>\$ 685,160</u>	<u>\$ 772,068</u>
Changes in plan assets:		
Fair value of plan assets at beginning of year	\$ 699,365	\$ 516,089
Acquired plan assets	—	144,238
Actual return on plan assets	34,587	51,409
Benefits paid	(23,499)	(46,121)
Settlements paid	(67,415)	—
Contributions	16,000	33,750
Fair value of plan assets at end of year	<u>\$ 659,038</u>	<u>\$ 699,365</u>
Funded status of the plan recognized as a non-current liability	<u>\$ (26,122)</u>	<u>\$ (72,703)</u>
Amounts recognized in accumulated other comprehensive income:		
Unrecognized net actuarial losses	\$ 182,633	\$ 234,863
Unamortized prior service cost (credit)	857	(691)
	<u>\$ 183,490</u>	<u>\$ 234,172</u>
Other changes in plan assets and benefit obligations recognized in other comprehensive income:		
Net actuarial (gain) loss	\$ (15,461)	\$ 9,744
Amortization of net actuarial losses	(14,404)	(14,440)
Amortization of prior service credits	1,573	1,573
Settlement expenses	(22,365)	—
Curtailment recognition of prior service credit	—	614
	<u>\$ (50,657)</u>	<u>\$ (2,509)</u>

Included in accumulated other comprehensive (loss) income at June 30, 2018 is a before tax expense of \$182.6 million of net actuarial losses that have not yet been recognized in net periodic pension cost, of which \$10.0 million is expected to be recognized as a component of net periodic pension cost during fiscal 2019. Also included is a before tax net cost of \$0.9 million of prior service credits that have not yet been recognized in net periodic pension costs, of which \$1.6 million is expected to be recognized as a component of net periodic pension costs during fiscal 2019.

In connection with the sale of the TS business, a significant number of former employees became terminated vested employees under the Plan. During fiscal 2018, the aggregate amount of former employee withdrawals from the Plan exceeded the pension accounting settlement threshold for fiscal 2018, which required a settlement expense under ASC 715

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

pension accounting. As a result, the Company recognized a \$22.4 million of pension settlement expenses before taxes and \$14.9 million after taxes in fiscal 2018, respectively, classified within income (loss) from discontinued operations.

Assumptions used to calculate actuarial present values of benefit obligations are as follows:

	2018	2017
Discount rate	4.2 %	3.8 %

The discount rate selected by the Company for the Plan reflects the current rate at which the underlying liability could be settled at the measurement date as of June 30, 2018. The estimated discount rate in fiscal 2018 and fiscal 2017 was based on the spot yield curve approach, which applies the individual spot rates from a highly rated bond yield curve to each future year's estimated cash flows.

Assumptions used to determine net benefit costs are as follows:

	2018	2017
Discount rate	3.4 %	3.3 %
Expected return on plan assets	8.0 %	8.0 %

Components of net periodic pension cost from continuing and discontinued operations during the last three fiscal years are as follows:

	Years Ended		
	June 30,	July 1,	July 2,
	2018	2017 ⁽¹⁾	2016 ⁽¹⁾
	(Thousands)		
Service cost	\$ 15,834	\$ 29,623	\$ 39,740
Interest cost	23,732	19,323	21,310
Expected return on plan assets	(54,686)	(49,279)	(40,285)
Amortization of prior service credits	(1,573)	(1,573)	(1,573)
Recognized net actuarial loss	14,404	14,440	12,731
Curtailment recognition of prior service credit	—	(614)	—
Pension settlement charge	22,365	—	—
Net periodic pension cost	\$ 20,076	\$ 11,920	\$ 31,923

(1) Includes discontinued operations

The Company made \$16.0 million and \$33.8 million of contributions in fiscal 2018 and fiscal 2017, respectively, and expects to make approximately \$16.0 million of contributions in fiscal 2019.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Benefit payments are expected to be paid to Plan participants as follows for the next five fiscal years and the aggregate for the five years thereafter (in thousands):

2019	\$ 42,457
2020	37,292
2021	40,034
2022	44,000
2023	46,160
2024 through 2028	256,003

The Plan's assets are held in trust and were allocated as follows as of the measurement date at the end of fiscal 2018 and 2017:

	2018	2017
Equity securities	60 %	50 %
Fixed income debt securities	39 %	50 %
Cash and cash equivalents	1 %	— %

The general investment objectives of the Plan are to maximize returns through a diversified investment portfolio in order to earn annualized returns that meet the long-term cost of funding the Plan's pension obligations while maintaining reasonable and prudent levels of risk. The target rate of return on the Plan's assets is currently 8.0%, which represents the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation based upon the targeted investment allocations. This assumption has been determined by combining expectations regarding future rates of return for the investment portfolio along with the historical and expected distribution of investments by asset class and the historical rates of return for each of those asset classes. The mix of equity securities is typically diversified to obtain a blend of domestic and international investments covering multiple industries. The Plan's assets do not include any material investments in Avnet common stock. The Plan's investments in debt securities are also diversified across both public and private fixed income securities with varying maturities. As of June 30, 2018, the Company's target allocation for the Plan's investment portfolio is for equity securities, both domestic and international, to represent approximately 60% of the portfolio. The majority of the remaining portfolio of investments is to be invested in fixed income debt securities with various maturities.

The following table sets forth the fair value of the Plan's investments as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
	(Thousands)			
Cash and cash equivalents	\$ 7,291	\$ —	\$ —	\$ 7,291
Equities:				
U.S. common stocks	—	262,066	—	262,066
International common stocks	—	133,564	—	133,564
Fixed Income:				
U.S. government agencies	—	96,414	—	96,414
U.S. and international corporate bonds	—	133,645	—	133,645
Other	—	26,058	—	26,058
Total	\$ 7,291	\$ 651,747	\$ —	\$ 659,038

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table sets forth the fair value of the Plan's investments as of July 1, 2017:

	Level 1	Level 2	Level 3	Total
	(Thousands)			
Cash and cash equivalents	\$ 1,481	\$ —	\$ —	\$ 1,481
Equities:				
U.S. common stocks	—	221,003	—	221,003
International common stocks	—	117,392	—	117,392
Fixed Income:				
U.S. government agencies	—	105,227	—	105,227
International government agencies	—	14,366	—	14,366
U.S. corporate bonds	—	214,024	—	214,024
Other	—	25,872	—	25,872
Total	<u>\$ 1,481</u>	<u>\$ 697,884</u>	<u>\$ —</u>	<u>\$ 699,365</u>

The fair value of the Plan's investments in equity and fixed income investments are stated at unit value, or the equivalent of net asset value, which is a practical expedient for estimating the fair values of those investments. Each of these investments may be redeemed daily without notice and there were no material unfunded commitments as of June 30, 2018.

12. Operating leases

The Company leases many of its operating facilities and is also committed under lease agreements for transportation and operating equipment. Rent expense charged to operating expenses during the last three fiscal years is as follows:

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
	(Thousands)		
Rent expense under operating leases	\$ 75,006	\$ 71,814	\$ 66,702

The aggregate future minimum operating lease commitments, principally for office and warehouse space, in fiscal 2019 through 2023 and thereafter, are as follows (in thousands):

2019	\$ 73,667
2020	56,182
2021	42,211
2022	34,688
2023	28,196
Thereafter	82,174
Total	<u>\$ 317,118</u>

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

13. Stock-based compensation

The Company measures all stock-based payments at fair value and recognizes related expense within operating expenses in the consolidated statements of operations over the requisite service period (generally the vesting period). During fiscal 2018, 2017, and 2016, the Company recorded stock-based compensation expense of \$24.0 million, \$53.9 million, and \$56.9 million, respectively, for all forms of stock-based compensation awards. Included in the fiscal 2017 expense was \$6.2 million of stock-based compensation related to discontinued operations and the divestiture of the TS business discussed further in Note 3.

Stock plan

At June 30, 2018, the Company had 9.3 million shares of common stock reserved for stock-based payments, which consisted of 2.3 million shares for unvested or unexercised stock options, 5.4 million shares available for stock-based awards under plans approved by shareholders, 1.5 million shares for restricted stock units and performance share units granted but not yet vested, and 0.1 million shares available for future purchases under the Company's Employee Stock Purchase Plan.

Stock options

Service based stock option grants have a contractual life of ten years, vest in 25% increments on each anniversary of the grant date, commencing with the first anniversary, and require an exercise price of 100% of the fair market value of common stock at the date of grant. Stock-based compensation expense associated with all stock options during fiscal 2018, 2017 and 2016 was \$(0.2) million, \$5.8 million and \$4.2 million, respectively.

The fair value of stock options is estimated as of the date of grant using the Black-Scholes model based on the assumptions in the following table. The assumption for the expected term is based on evaluations of historical and expected future employee exercise behavior. The risk-free interest rate is based on U.S. Treasury rates as of the date of grant with maturity dates approximately equal to the expected term at the grant date. The historical volatility of Avnet's common stock is used as the basis for the volatility assumption. The Company estimates dividend yield based upon expectations of future dividends compared to the market value of the Company's stock as of the grant date.

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
Expected term (years)	6.0	6.0	6.0
Risk-free interest rate	2.0 %	1.9 %	1.7 %
Weighted average volatility	26.3 %	27.9 %	29.7 %
Dividend yield	2.0 %	1.5 %	1.9 %

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following is a summary of the changes in outstanding options for fiscal 2018:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
Outstanding at July 1, 2017	2,714,506	\$ 40.51	82 Months
Granted	303,792	37.02	110 Months
Exercised	(405,737)	33.23	27 Months
Forfeited or expired	(290,774)	43.62	95 Months
Outstanding at June 30, 2018	<u>2,321,787</u>	<u>\$ 40.93</u>	<u>79 Months</u>
Exercisable at June 30, 2018	<u>866,553</u>	<u>\$ 35.62</u>	<u>49 Months</u>

The weighted-average grant-date fair values of stock options granted during fiscal 2018, 2017 and 2016 were \$8.33, \$9.46 and \$10.69, respectively.

At June 30, 2018, the aggregate intrinsic value of all outstanding stock option awards was \$8.4 million and all exercisable stock option awards was \$6.4 million.

The following is a summary of the changes in non-vested stock options for the fiscal year 2018:

	Shares	Weighted Average Grant-Date Fair Value
Non-vested stock options at July 1, 2017	1,678,763	\$ 11.56
Granted	303,792	8.33
Vested	(288,461)	12.32
Forfeited	(238,860)	9.66
Non-vested stock options at June 30, 2018	<u>1,455,234</u>	<u>\$ 11.05</u>

As of June 30, 2018, there was \$2.1 million of total unrecognized compensation cost related to stock options, which is expected to be recognized over a weighted-average period of 1.6 years. The total fair value of stock options vested, as of the vesting dates, during fiscal 2018, 2017 and 2016 were \$3.6 million, \$3.3 million and \$4.6 million, respectively.

Cash received from stock option exercises during fiscal 2018, 2017, and 2016 totaled \$9.2 million, \$25.2 million, and \$0.8 million, respectively. The impact of these cash receipts is included in "Other, net" within financing activities in the accompanying consolidated statements of cash flows.

Restricted stock units

Delivery of restricted stock units, and the associated compensation expense, is recognized over the vesting period and is generally subject to the employee's continued service to the Company, except for employees who are retirement eligible under the terms of the restricted stock units. As of June 30, 2018, 1.0 million shares previously awarded have not yet vested. Stock-based compensation expense associated with restricted stock units was \$23.0 million, \$42.4 million and \$43.9 million for fiscal years 2018, 2017 and 2016, respectively.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following is a summary of the changes in non-vested restricted stock units during fiscal 2018:

	<u>Shares</u>	<u>Weighted Average Grant-Date Fair Value</u>
Non-vested restricted stock units at July 1, 2017	1,016,028	\$ 40.93
Granted	800,448	35.97
Vested	(662,222)	39.29
Forfeited	(118,094)	37.91
Non-vested restricted stock units at June 30, 2018	<u>1,036,160</u>	<u>\$ 38.48</u>

As of June 30, 2018, there was \$21.5 million of total unrecognized compensation expense related to non-vested restricted stock units, which is expected to be recognized over a weighted-average period of 2.2 years. The total fair value of restricted stock units vested during fiscal 2018, 2017 and 2016 was \$26.0 million, \$54.6 million and \$42.5 million, respectively.

Performance share units

Certain eligible employees, including Avnet's executive officers, may receive a portion of their long-term stock-based compensation through the performance share program, which allows for the vesting of shares based upon achievement of certain market and performance-based criteria ("Performance Share Program"). The Performance Share Program provides for the vesting to each grantee of a number of shares of Avnet's common stock at the end of a three-year performance period based upon the Company's achievement of certain performance goals established by the Compensation Committee of the Board of Directors for each Performance Share Program three-year performance period. The performance goals consist of a combination of measures including economic profit, return on capital employed and total shareholder return.

During each of fiscal 2018, 2017 and 2016, the Company granted 0.2 million performance share units. The actual amount of performance share units vested at the end of each three-year period is measured based upon the actual level of achievement of the defined performance goals and can range from 0% to 200% of the award grant. During fiscal 2018, 2017 and 2016, the Company recognized stock-based compensation expense associated with the Performance Share Program of \$0.2 million, \$4.6 million and \$7.6 million, respectively.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

14. Commitments and contingencies

From time to time, the Company may become a party to, or be otherwise involved in various lawsuits, claims, investigations and other legal proceedings arising in the ordinary course of conducting its business. While litigation is subject to inherent uncertainties, management does not anticipate that any such matters will have a material adverse effect on the Company's financial condition, liquidity or results of operations.

The Company is also currently subject to various pending and potential legal matters and investigations relating to compliance with governmental laws and regulations, including import/export and environmental matters. For certain of these matters it is not possible to determine the ultimate outcome, and the Company cannot reasonably estimate the maximum potential exposure or the range of possible loss for such matters due primarily to being in the early stages of the related proceedings and investigations. The Company currently believes that the resolution of such matters will not have a material adverse effect on the Company's financial position or liquidity, but could possibly be material to its results of operations in any one reporting period.

As of June 30, 2018 and July 1, 2017, the Company had aggregate estimated liabilities of \$14.2 million, classified within accrued expenses and other for such compliance-related matters that were reasonably estimable as of such dates.

15. Earnings per share

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
	(Thousands, except per share data)		
Numerator:			
Income (loss) from continuing operations	\$ (142,889)	\$ 263,351	\$ 390,909
Income (loss) from discontinued operations	(13,535)	261,927	115,622
Net (loss) income	<u>\$ (156,424)</u>	<u>\$ 525,278</u>	<u>\$ 506,531</u>
Denominator:			
Weighted average common shares for basic earnings per share	119,909	127,032	130,858
Net effect of dilutive stock based compensation awards	—	1,619	2,315
Weighted average common shares for diluted earnings per share	<u>119,909</u>	<u>128,651</u>	<u>133,173</u>
Basic earnings (loss) per share - continuing operations	\$ (1.19)	\$ 2.07	\$ 2.99
Basic earnings (loss) per share - discontinued operations	(0.11)	2.06	0.88
Basic earnings (loss) per share	<u>\$ (1.30)</u>	<u>\$ 4.13</u>	<u>\$ 3.87</u>
Diluted earnings (loss) per share - continuing operations	\$ (1.19)	\$ 2.05	\$ 2.93
Diluted earnings (loss) per share - discontinued operations	(0.11)	2.03	0.87
Diluted earnings (loss) per share	<u>\$ (1.30)</u>	<u>\$ 4.08</u>	<u>\$ 3.80</u>
Stock options excluded from earnings per share calculation due to anti-dilutive effect	1,495	1,038	378

For the fiscal year ended June 30, 2018, the diluted net loss per share is the same as the basis net loss per share as the effect of 1,125,877 potential common shares would be anti-dilutive.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

16. Additional cash flow information

The “Other, net” component of non-cash and other reconciling items within operating activities in the consolidated statements of cash flows consisted of the following during the last three fiscal years:

	June 30, 2018	July 1, 2017	July 2, 2016
	(Thousands)		
Provision for doubtful accounts receivable	\$ 6,033	\$ 10,741	\$ 7,776
Periodic pension cost	26,057	10,071	23,386
Other, net	17,293	8,292	(1,783)
Total	<u>\$ 49,383</u>	<u>\$ 29,104</u>	<u>\$ 29,379</u>

Non-cash investing and financing activities and supplemental cash flow information were as follows:

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
	(Thousands)		
Non-cash Investing Activities:			
Capital expenditures incurred but not paid	\$ 23,400	\$ 6,490	\$ 12,801
Non-cash Financing Activities:			
Unsettled share repurchases	\$ 3,425	\$ —	\$ —
Supplemental Cash Flow Information:			
Interest	\$ 99,929	\$ 116,085	\$ 112,557
Income taxes	113,130	404,497	48,093

The Company includes book overdrafts as part of accounts payable on its consolidated balance sheets and reflects changes in such balances as part of cash flows from operating activities in its consolidated statements of cash flows.

17. Segment information

Electronic Components (“EC”) and Premier Farnell (“PF”) are the Company’s reportable segments (“operating groups”). EC markets and sells semiconductors and interconnect, passive and electromechanical devices and integrated components to a diverse customer base serving many end-markets. PF was acquired in fiscal 2017 and distributes electronic components and related products to the electronic system design community utilizing multi-channel sales and marketing resources.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
	(Millions)		
Sales:			
Electronic Components	\$ 17,543.6	\$ 16,474.1	\$ 16,740.6
Premier Farnell	1,493.3	965.9	—
	<u>\$ 19,036.9</u>	<u>\$ 17,440.0</u>	<u>\$ 16,740.6</u>
Operating income (loss):			
Electronic Components	\$ 587.3	\$ 661.0	\$ 728.7
Premier Farnell	160.8	99.8	—
	748.1	760.8	728.7
Corporate ⁽¹⁾	(99.2)	(107.5)	(101.2)
Restructuring, integration and other expenses	(145.1)	(137.4)	(44.8)
Goodwill impairment	(181.4)	—	—
Amortization of acquired intangible assets and other	(91.9)	(54.5)	(9.8)
	<u>\$ 230.5</u>	<u>\$ 461.4</u>	<u>\$ 572.9</u>
Assets:			
Electronic Components	\$ 7,510.1	\$ 7,126.0	\$ 7,163.1
Premier Farnell	1,598.7	1,489.6	—
Corporate ⁽¹⁾	488.0	1,084.0	608.8
Discontinued operations	—	—	3,467.9
	<u>\$ 9,596.8</u>	<u>\$ 9,699.6</u>	<u>\$ 11,239.8</u>
Capital expenditures:			
Electronic Components	\$ 127.5	\$ 81.6	\$ 100.9
Premier Farnell	19.1	15.7	—
Corporate ⁽¹⁾	9.3	23.1	36.5
	<u>\$ 155.9</u>	<u>\$ 120.4</u>	<u>\$ 137.4</u>
Depreciation & amortization expense:			
Electronic Components	\$ 133.3	\$ 64.4	\$ 44.9
Premier Farnell	94.5	53.7	—
Corporate ⁽¹⁾	7.1	37.3	34.7
	<u>\$ 234.9</u>	<u>\$ 155.4</u>	<u>\$ 79.6</u>
Sales, by geographic area:			
Americas ⁽²⁾	\$ 5,011.4	\$ 5,163.9	\$ 4,801.3
EMEA ⁽³⁾	6,790.9	5,912.9	5,103.0
Asia/Pacific ⁽⁴⁾	7,234.6	6,363.2	6,836.3
	<u>\$ 19,036.9</u>	<u>\$ 17,440.0</u>	<u>\$ 16,740.6</u>
Property, plant and equipment, net, by geographic area:			
Americas ⁽⁵⁾	\$ 276.2	\$ 296.1	\$ 303.3
EMEA ⁽⁶⁾	204.8	186.1	129.6
Asia/Pacific	41.9	37.4	20.3
	<u>\$ 522.9</u>	<u>\$ 519.6</u>	<u>\$ 453.2</u>

(1) Corporate is not a reportable segment and represents certain centrally incurred overhead expenses and assets that are not included in the EC and PF measures of profitability or assets. Corporate amounts represent a reconciling item between segment measures of profitability and total Avnet amounts reported in the consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

- (2) Includes sales in the United States of \$4.64 billion, \$4.80 billion and \$4.48 billion for fiscal 2018, 2017 and 2016, respectively.
- (3) Includes sales in Germany and Belgium of \$2.66 billion and \$1.08 billion, respectively, for fiscal 2018. Includes sales in Germany and Belgium of \$2.29 billion and \$930.3 million, respectively, for fiscal 2017. Includes sales in Germany and Belgium of \$2.13 billion and \$740.6 million, respectively, for fiscal 2016.
- (4) Includes sales of \$2.71 billion, \$2.63 billion and \$949.5 million in Taiwan, China (including Hong Kong) and Singapore, respectively, for fiscal 2018. Includes sales of \$2.18 billion, \$2.45 billion and \$928.4 million in Taiwan, China (including Hong Kong) and Singapore, respectively, for fiscal 2017. Includes sales of \$2.86 billion, \$2.44 billion and \$903.0 million in Taiwan, China (including Hong Kong) and Singapore, respectively, for fiscal 2016.
- (5) Includes property, plant and equipment, net, of \$271.4 million, \$289.1 million and \$297.1 million in the United States for fiscal 2018, 2017 and 2016, respectively.
- (6) Includes property, plant and equipment, net, of \$99.4 million, \$52.5 million and \$43.4 million in Germany, the UK and Belgium, respectively, for fiscal 2018. Fiscal 2017 includes property, plant and equipment, net, of \$85.6 million, \$52.1 million and \$39.8 million in Germany, the UK and Belgium, respectively. Fiscal 2016 includes property, plant and equipment, net, of \$72.5 million in Germany and \$40.0 million in Belgium.

Listed in the table below are the Company's major product categories and the related sales for each of the past three fiscal years:

	Years Ended		
	June 30, 2018	July 1, 2017	July 2, 2016
	(Millions)		
Semiconductors	\$ 14,890.9	\$ 13,537.9	\$ 13,978.0
Interconnect, passive & electromechanical (IP&E)	3,468.4	2,909.2	2,098.7
Computers	461.9	504.2	222.7
Other	215.7	488.7	441.2
	<u>\$ 19,036.9</u>	<u>\$ 17,440.0</u>	<u>\$ 16,740.6</u>

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

18. Restructuring expenses

Fiscal 2018

During fiscal 2018, the Company executed certain restructuring actions in an effort to integrate acquisitions and reduce future operating expenses. Restructuring expenses are included as a component of restructuring, integration and other expenses in the Consolidated Statements of Operations. The activity related to the restructuring liabilities established during fiscal 2018 is presented in the following table:

	Severance	Facility and Contract Exit Costs	Asset Impairments	Other	Total
	(Thousands)				
Fiscal 2018 restructuring expenses	\$ 56,812	\$ 1,146	\$ 2,496	\$ 164	\$ 60,618
Cash payments	(32,513)	(26)	—	(165)	(32,704)
Non-cash amounts	—	—	(2,080)	—	(2,080)
Other, principally foreign currency translation	176	3	—	1	180
Balance at June 30, 2018	<u>\$ 24,475</u>	<u>\$ 1,123</u>	<u>\$ 416</u>	<u>\$ —</u>	<u>\$ 26,014</u>

Severance expense recorded in fiscal 2018 related to the reduction, or planned reduction, of over 900 employees, primarily in executive management, operations, warehouse, sales and business support functions. Facility and contract exit costs primarily consist of liabilities for remaining lease obligations for exited facilities and for contractual termination costs. Asset impairments relate to the impairment of property, plant and equipment as a result of the underlying restructuring activities. Other restructuring costs related primarily to other miscellaneous restructuring and exit costs. Of the \$60.6 million in restructuring expenses recorded during fiscal 2018, \$47.1 million related to EC, \$10.6 million related to PF and \$2.9 million related to Corporate executive and business support functions. The Company expects the majority of the remaining amounts to be paid by the end of fiscal 2019.

Fiscal 2017 and prior

During fiscal 2017 and prior, the Company incurred restructuring expenses related to various restructuring actions intended to reduce future operating expenses. The fiscal 2018 activity related to the restructuring liabilities from continuing operations established during fiscal 2017 and prior is presented in the following table:

	Severance	Facility Exit Costs	Total
	(Thousands)		
Balance at July 1, 2017	\$ 14,853	\$ 2,142	\$ 16,995
Cash payments	(12,327)	(376)	(12,703)
Changes in estimates, net	(1,313)	(11)	(1,324)
Other, principally foreign currency translation	230	12	242
Balance at June 30, 2018	<u>\$ 1,443</u>	<u>\$ 1,767</u>	<u>\$ 3,210</u>

As of June 30, 2018, management expects the majority of the remaining severance, and facility exit liabilities related to fiscal 2017 and prior restructuring actions to be paid by the end of fiscal 2019.

SCHEDULE II
AVNET, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
Years Ended June 30, 2018, July 1, 2017, and July 2, 2016

Account Description	Balance at Beginning of Period	Charged to Expense (Income)	Charged to Other Accounts	Deductions	Balance at End of Period
(Thousands)					
Fiscal 2018					
Allowance for doubtful accounts	\$ 47,272	\$ 6,033	\$ —	\$ (4,346)(a)	\$ 48,959
Valuation allowance on tax loss carry-forwards	241,687	(4,704)(b)	2,500 (c)	—	239,483
Fiscal 2017					
Allowance for doubtful accounts	27,448	10,741	14,361 (d)	(5,278)(a)	47,272
Valuation allowance on tax loss carry-forwards	63,694	4,477 (e)	173,516 (f)	—	241,687
Fiscal 2016					
Allowance for doubtful accounts	35,629	7,776	—	(15,957)(a)	27,448
Valuation allowance on tax loss carry-forwards	60,834	(412)(g)	3,272 (h)	—	63,694

- (a) Uncollectible receivables written off.
- (b) Primarily represents a reduction due to the release of a valuation allowance.
- (c) Primarily related to impact of current year activities and foreign currency exchange on valuation allowances previously established in various foreign jurisdictions.
- (d) Amount relates to increases to the allowance for doubtful accounts from acquisition and divestiture activity and such amounts were not charged to other accounts.
- (e) Primarily related to an increase of \$8.8 million due to the establishment of valuation allowances and a reduction of \$4.0 million due to a release in valuation allowances.
- (f) Primarily related to the acquisition of PF and other tax attributes recorded for which the Company does not expect to realize a benefit.
- (g) Represents a reduction primarily due to the release of a valuation allowance.
- (h) Primarily related to impact of foreign currency exchange rates on valuation allowances previously established in various foreign jurisdictions.

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit</u>
2.1	Interest Purchase Agreement, dated as of September 19, 2016, by and among Avnet, Inc. and Tech Data Corporation (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on September 20, 2016).
2.2	First Amendment to Interest Purchase Agreement, dated as of February 27, 2017, by and between Avnet, Inc. and Tech Data Corporation (incorporated herein by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed on March 3, 2017).
3.1	Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3(i) to the Company's Current Report on Form 8-K filed on February 12, 2001).
3.2	By-laws of the Company, effective May 9, 2014 (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 12, 2014).
4.1	Indenture dated as of March 5, 2004, by and between the Company and JP Morgan Trust Company, National Association (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 8, 2004).
4.2	Officers' Certificate dated September 12, 2006, establishing the terms of the 6.625% Notes due 2016 (incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on September 12, 2006).
4.3	Indenture dated as of June 22, 2010, between the Company and Wells Fargo Bank, National Association, as Trustee, providing for the issuance of Debt Securities in one or more series (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 22, 2010).
4.4	Officers' Certificate establishing the terms of the 5.875% Notes due 2020 (incorporated herein by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 22, 2010).
4.5	Form of Officers' Certificate establishing the terms of the 4.875% Notes due 2022 (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 21, 2012).
4.6	Form of Officers' Certificate establishing the terms of the 4.625% Notes due 2026 (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 22, 2016).
4.7	Form of Officers' Certificate setting forth the terms of the 3.750% Notes due 2021 (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 1, 2016).
	Note: The total amount of securities authorized under any other instrument that defines the rights of holders of the Company's long-term debt does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. Therefore, these instruments are not required to be filed as exhibits to this Report. The Company agrees to furnish copies of such instruments to the Commission upon request.
	Executive Compensation Plans and Arrangements
10.1	Form of Letter Agreement between the Company and William Amelio, Peter Bartolotta, and Michael O'Neill (incorporated herein by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K filed on August 17, 2017).
10.2	Form of Employment Agreement between the Company and MaryAnn Miller (incorporated herein by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K filed on August 9, 2013).
10.3	Employment Agreement between the Company and Kevin Moriarty (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 3, 2013).

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- 10.4 [Form of Change of Control Agreement between the Company and William Amelio, MaryAnn Miller, Kevin Moriarty, Peter Bartolotta and Michael O'Neill \(incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on February 15, 2011\).](#)
- 10.5 * [Avnet, Inc. Deferred Compensation Plan for Outside Directors \(Amended and Restated Effective as of May 8, 2018\).](#)
- 10.6 [Avnet Supplemental Executive Officers' Retirement Plan \(2013 Restatement\) \(incorporated herein by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K filed on August 9, 2013\).](#)
- 10.7 [Avnet Restoration Plan \(2013 Restatement\) \(incorporated herein by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed on August 9, 2013\).](#)
- 10.8 * [Avnet, Inc. 2010 Stock Compensation Plan \(Amended and Restated Effective as of May 8, 2018\).](#)
- 10.9 [Avnet, Inc. 2010 Stock Compensation Plan:](#)
[\(a\) Form of non-qualified stock option term sheet](#)
[\(b\) Form of incentive stock option term sheet](#)
[\(c\) Form of performance stock unit term sheet](#)
[\(d\) Form of restricted stock unit term sheet \(incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 10, 2012\).](#)
- 10.10 * [Avnet, Inc. 2013 Stock Compensation and Incentive Plan \(Amended and Restated Effective as of May 8, 2018\).](#)
- 10.11 [Avnet, Inc. 2013 Stock Compensation and Incentive Plan:](#)
[\(a\) Form of restricted stock unit term sheet](#)
[\(b\) Form of nonqualified stock option term sheet](#)
[\(c\) Form of performance-based stock option term sheet](#)
[\(d\) Form of performance stock unit term sheet](#)
[\(incorporated herein by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K filed on August 17, 2017\).](#)
- 10.12 * [Avnet, Inc. 2016 Stock Compensation and Incentive Plan \(Amended and Restated Effective as of May 8, 2018\). Refer to Exhibit 10.11, above, for the form of awards under the 2016 Stock Compensation and Incentive Plan.](#)
- 10.13 * [Avnet Deferred Compensation Plan \(Amended and Restated Effective as of May 8, 2018\).](#)
- 10.14 [Form of Indemnity Agreement between the Company and its directors and officers \(incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 8, 2006\).](#)
- Bank Agreements**
- 10.15 **Securitization Program**

[\(a\) Amended and Restated Receivables Sale Agreement, dated February 27, 2017, between Avnet, Inc. and Avnet Receivables Corporation \(incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 3, 2017\).](#)

[\(b\) Third Amended and Restated Receivables Purchase Agreement, dated February 27, 2017, among Avnet, Inc., Avnet Receivables Corporation, the companies and financial institutions party thereto and JPMorgan Chase Bank, N.A., as agent \(incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 3, 2017\).](#)
- 10.16 [\(a\) Credit Agreement dated as of July 9, 2014, among Avnet, Inc., each subsidiary of the Company party thereto, Bank of America, N.A., as administrative agent, and each lender party thereto \(incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 10, 2014\).](#)

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		<u>(b) Amendment No. 1 to Credit Agreement, dated as of September 14, 2016, between Avnet, Inc., each subsidiary of the Company party thereto, Bank of America, N.A., as administrative agent, and each lender party thereto (incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on September 15, 2016).</u>
10.17		<u>(a) Senior Unsecured Bridge Credit Agreement, dated as of July 27, 2016, between Avnet, Inc., the lenders party thereto and Bank of America N.A., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 28, 2016).</u>
		<u>(b) Amendment No. 1 to Senior Unsecured Bridge Credit Agreement, dated as of September 13, 2016, between Avnet, Inc., the lenders party thereto and Bank of America N.A., as administrative agent (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 15, 2016).</u>
		<u>(c) Amendment No. 2 and Waiver to Senior Unsecured Bridge Credit Agreement, dated as of October 24, 2016, between Avnet, Inc., the lenders party thereto and Bank of America N.A., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 24, 2016).</u>
10.18		<u>Senior Unsecured Term Loan Credit Agreement, dated as of September 14, 2016, between Avnet, Inc., Avnet Holding Europe BVBA, Tenva Group Holdings Limited, the lenders party thereto and Bank of America N.A., as administrative agent (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 15, 2016).</u>
10.19		<u>Restated and Amended Credit Agreement dated as of June 28, 2018 among Avnet, Inc., each subsidiary of the Company party thereto, Bank of America, N.A., as administrative agent, and each lender party thereto (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 2, 2018).</u>
12.1	*	<u>Ratio of Earnings to Fixed Charges.</u>
21	*	<u>List of subsidiaries of the Company as of June 30, 2018.</u>
23.1	*	<u>Consent of KPMG LLP.</u>
24.1	*	<u>Power of Attorney (incorporated by reference to the signature page of this Annual Report on Form 10-K).</u>
31.1	*	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2	*	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1	**	<u>Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2	**	<u>Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
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 Document.
101.DEF	*	XBRL Taxonomy Extension Definition Linkbase Document.

* Filed herewith.

** Furnished herewith.

AVNET, INC.
2013 STOCK COMPENSATION AND INCENTIVE PLAN
(As Amended and Restated Effective as of May 8, 2018)

ARTICLE 1
PURPOSE OF THE PLAN

The Avnet, Inc. 2013 Stock Compensation and Incentive Plan, as amended and restated, is intended to advance the interests of the Company by helping Avnet and its Subsidiaries to attract, retain, and appropriately motivate high caliber persons to serve as Eligible Employees and Non-Employee Directors, and by providing incentives to Eligible Employees and Non-Employee Directors that are consistent with the shareholders' interest in maximizing the value of Avnet's Stock.

ARTICLE 2
DEFINITIONS

The following terms, when used in capitalized form, shall have the meanings set forth below:

2.1 "*Administrator*" means—

- (a) with respect to each Award granted to an Eligible Employee, the Committee; and
- (b) with respect to each Award granted to a Non-Employee Director, the Independent Directors.

2.2. "*Agreement*" means the document that evidences an Award granted hereunder and sets forth the material terms thereof, including any addendum to an Option Agreement relating to Stock Appreciation Rights. Each Agreement shall be in such form as prescribed or approved by the Administrator.

2.3. "*Avnet*" means Avnet, Inc.

2.4. "*Award*" means a grant under the Plan of an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Share Unit, Other Stock Unit Award, or Executive Incentive Performance Award, as evidenced by an Agreement.

2.5. "*Board of Directors*" and "*Director*" shall mean, respectively, the Board of Directors of Avnet and any member thereof.

2.6. "*Change in Control*" means the happening of any of the following:

(a) the acquisition, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a "Person")), of beneficial ownership (within the meaning of Rule 13d-3) of 50% or more of either (A) the then outstanding shares of Stock or (B) the combined voting power of the then outstanding voting securities of Avnet entitled to vote generally in the election of Directors; provided, however, that none of the following acquisitions shall constitute a Change in Control under this subsection (a): (i) an acquisition directly from Avnet (excluding an acquisition by virtue of the exercise of a conversion privilege), (ii) an acquisition by Avnet or an entity controlled by Avnet, or (iii) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by Avnet or any entity controlled by Avnet; or

(b) individuals who, as of the date of the 2013 annual meeting of Avnet's stockholders (the "Determination Date"), constitute the Board of Directors (the "Incumbent Board") cease for any reason to

constitute at least a majority of the Board of Directors; provided, however, that an individual who becomes a Director after the Determination Date shall be treated as a member of the Incumbent Board if (i) his election, or nomination for election by Avnet's stockholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board, and (ii) his initial assumption of office does not occur as a result of an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) a complete liquidation or dissolution of Avnet or the sale or other disposition of all or substantially all of the assets of Avnet; provided, however, that a liquidation, dissolution, sale, or other disposition shall not constitute a Change in Control if the assets are transferred to a wholly owned subsidiary of Avnet.

2.7. "*CEO*" means the Chief Executive Officer of Avnet.

2.8. "*Code*" means the Internal Revenue Code of 1986, as amended.

2.9. "*Committee*" means the Compensation Committee of the Board of Directors, which shall consist of three or more Non-Employee Directors appointed by the Board of Directors. No individual who is not both a "non-employee director" within the meaning of Rule 16b-3 and an "outside director" within the meaning of Section 162(m) of the Code shall serve as a member of the Committee.

2.10. "*Company*" means Avnet and all its Subsidiaries.

2.11. "*Covered Participant*" means a Participant who is a "covered employee" under Section 162(m) of the Code.

2.12. "*Eligible Employee*" means an employee of Avnet or of any of its Subsidiaries. The term "Eligible Employee" shall also include an individual retained by Avnet or any of its Subsidiaries to render services as a consultant or advisor other than services in connection with the offer or sale of securities in a capital-raising transaction or services that directly or indirectly promote or maintain a market for Avnet's securities.

2.13. "*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

2.14. "*Executive Incentive Performance Award*" or "*EIP Award*" means a performance-based cash award granted pursuant to Article 11.

2.15. "*Executive Officer*" means an employee designated by Avnet as an executive officer under Rule 16b-3.

2.16. "*Fair Market Value*" means, with respect to any date, the closing price (as reported for the Nasdaq Composite Index) at which shares of Stock have been sold on such date (or, if such date is a date for which no trading is so reported, on the next preceding date for which trading is so reported).

2.17. "*Grant Date*" means, with respect to granting an Award or modification of an outstanding Award, the date on which the material terms of the Award (including the number of shares covered by the Award, the conditions for vesting, lapse of the Period of Restriction, and exercise, and the purchase price, if any) are established and all action constituting the making or modification of such Award is completed, without regard to (a) the date on which the applicable Agreement is executed or (b) whether such Award or modification is subject to future shareholder approval or other conditions. The Grant Date for any Award shall not occur before the recipient of the Award becomes an Eligible Employee or Non-Employee Director, as applicable.

2.18. "*Incentive Stock Option*" or "*ISO*" means an Option intended to qualify as an "incentive stock

option” under Section 422 of the Code.

2.19. “*Independent Directors*” means members of the Board of Directors acting as a group, each of whom satisfies Avnet’s “Director Independence Standards.”

2.20. “*Non-Employee Director*” means a Director who is not an Eligible Employee.

2.21. “*Option*” means an Award granted pursuant to Article 5 that gives the recipient the right to purchase a specified number of shares at a specified price during a specified term, subject to the terms and conditions of the applicable Agreement.

2.22. “*Optionee*” means a person who, at the time in question, holds an Option that then remains unexercised in whole or in part, has not been surrendered, and has not expired or terminated. The term “Optionee” also includes any Successor Optionee.

2.23. “*Other Stock Unit Award*” means an Award granted pursuant to Article 10.

2.24. “*Participant*” means an Eligible Employee or Non-Employee Director who has been granted an Award hereunder.

2.25. “*Performance Criteria*” means any of the following criteria as related to Avnet, any Subsidiary, or any division or other area of Avnet or a Subsidiary:

(i) Economic profit; economic value added; price of Stock; total stockholder return; revenues; sales; sales productivity; sales growth; net income; operating income; earnings per share; return on equity; return on investment; return on capital employed; cash flow; operating margin; gross margin; operating unit contribution; achievement of annual operating profit plans; debt level; market share; net worth; or other similar financial performance measures as may be determined by the Committee; or

(ii) Strategic business criteria consisting of one or more objectives based on meeting specified market penetration or market share; geographic business expansion; objective customer satisfaction goals; objective goals relating to divestitures, joint ventures, mergers, acquisitions, and similar transactions; implementation or completion of specified projects or processes strategic or critical to the Company’s business operations; individual business objectives; objective measures of brand recognition/acceptance; performance achievements on designated projects or objectives; objective measures of regulatory compliance; successful completion of internal or external audits; successful integration of business units; successful hiring, retention of talent, or other succession planning; or objective measures of employee engagement and satisfaction.

In addition, for any Participant who is not a Covered Participant, Performance Criteria may include any other criteria selected by the Committee.

2.26. “*Performance Objectives*” means, for any Award that is contingent in whole or in part on achievement of performance objectives, the objectives or other performance levels with respect to specified Performance Criteria that are measured over a Performance Period for the purpose of determining the amount of such Award and/or whether such Award is granted or vested.

2.27. “*Performance Period*” means a period over which achievement of Performance Objectives is measured, as set forth in the applicable Agreement.

2.28. “*Performance Share Unit*” means an Award granted pursuant to Article 9 that gives the recipient a contractual right to receive a target number of shares of Stock or cash upon the attainment of specified

Performance Objectives.

2.29. “*Period of Restriction*” means the period during which the transfer of shares of Restricted Stock is restricted, pursuant to Article 7.

2.30. “*Person*” means “person” as defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d) and 14(d) thereof, including a “group” as defined in Section 13(d) of the Exchange Act, but excluding Avnet, any Subsidiary, and any employee benefit plan sponsored or maintained by Avnet or any Subsidiary (including any trustee of such plan acting as trustee).

2.31. “*Plan*” means the Avnet, Inc. 2013 Stock Compensation and Incentive Plan, as set forth herein and as amended from time to time.

2.32. “*Restricted Stock*” means an Award of Stock granted pursuant to Article 7.

2.33. “*Restricted Stock Unit*” means an Award granted pursuant to Article 8 that gives the recipient a contractual right to receive cash or shares of Stock upon the attainment of specified vesting conditions.

2.34. “*Rule 16b-3*” means SEC Rule 16b-3 promulgated under the Exchange Act.

2.35. “*Securities Act*” means the Securities Act of 1933, as amended.

2.36. “*Stock*” means, subject to the adjustment provisions set forth in Article 13, Avnet’s \$1.00 par value common stock.

2.37. “*Stock Appreciation Right*” or “*SAR*” means an Award granted pursuant to Article 6 that gives the recipient the right to receive, upon exercise of the Award, an amount equal to the excess of the Fair Market Value of the shares of Stock with respect to which the SAR is being exercised (determined as of the exercise date) over the exercise price set forth in the Agreement.

2.38. “*Subsidiary*” means a corporation in which Avnet directly or indirectly owns more than 50% of the total combined voting power of all classes of capital stock.

2.39. “*Successor Optionee*” means any person who, under the provisions of Article 5, has acquired from an Optionee the right to exercise an Option, for so long as such Option remains unexercised in whole or in part, and has not been surrendered, exercised, or terminated.

ARTICLE 3 SHARES RESERVED FOR THE PLAN

3.1. *General Limitations.* Subject to the adjustment provisions set forth in Article 13, the maximum number of shares of Stock that may be delivered pursuant to the exercise of Awards granted under the Plan shall be 5,000,000. At no time shall there be outstanding Awards under the Plan covering more than such maximum number of shares less the aggregate of the shares of Stock previously delivered pursuant to the exercise of Options (including the shares of Stock previously covered by Options surrendered in connection with the exercise of SARs), the shares of Stock with respect to which stock-settled SARs have been exercised (without regard to the number of shares of Stock issued upon settlement of such SARs), and the shares of Stock previously delivered pursuant to the vesting of Restricted Stock, Restricted Stock Units, Performance Share Units, and Other Stock Unit Awards. The shares of Stock authorized hereunder shall be in addition to the shares of Stock authorized for grant under the 2010 Avnet, Inc. Stock Compensation Plan (the “2010 Plan”), which shall continue to be available for grant under the 2010 Plan. Shares of Stock subject to Awards may consist of authorized but unissued shares of Stock and/or shares of Stock held in Avnet’s treasury.

3.2. *Individual Limitations.* No individual may be granted (a) Options or SARs for more than 500,000 shares of Stock in any calendar year or (b) Awards in any calendar year for more than 1,000,000 shares in the aggregate (including Options, SARs, and full-value awards). In addition, no Non-Employee Director may be granted Awards for more than 30,000 shares of Stock, or a value of more than \$1 million at the time of grant, in any calendar year; provided, however, that up to 60,000 shares of Stock (or a value up to \$2 million) may be subject to Awards granted to a Non-Employee Director during the calendar year in which the Non-Employee Director first joins the Board of Directors or is first designated as Chairman of the Board of Directors or Lead Director.

3.3. *Termination and Expiration of Awards.* If an Award is surrendered, terminates, or expires, whether in whole or in part, the number of shares of Stock covered by such Award immediately before such surrender, termination, or expiration shall thereupon be added back to the number of shares of Stock otherwise available for further grants of Awards hereunder; provided, however, that the following transactions involving shares of Stock shall not result in shares of Stock becoming available for subsequent Awards: (a) Stock tendered or withheld in payment of the exercise price of an Option; (b) Stock tendered or withheld for taxes; (c) Stock that was subject to a stock-settled SAR or an Option that was related to a SAR and was not issued upon the settlement or exercise of such SAR; and (d) Stock repurchased by the Company with the proceeds of an Option exercise.

ARTICLE 4 ADMINISTRATION OF THE PLAN

4.1. *Plan Administration.* This Plan shall be administered by the Administrator. The Administrator shall have full and exclusive power to: (a) construe and interpret the Plan; (b) establish and amend rules and regulations for the administration of the Plan; (c) correct any defect, remedy any omission, and reconcile any ambiguity or inconsistency in the Plan or any Award in the manner and to the extent it deems necessary or desirable to carry out the intent of the Plan and such Award; and (d) certify the level as to which each Performance Objective was attained. Subject to Section 4.6, the Administrator may delegate some or all of its authority under the Plan (including powers not referenced in this Section 4.1) to one or more Company officers, to the extent permitted by and not inconsistent with any requirements of applicable law.

4.2. *Committee's Authority to Grant Awards.* In addition to the powers enumerated in Section 4.1 (and without limiting the generality thereof), the Committee shall have plenary authority and discretion to determine the time or times at which Awards shall be granted to Eligible Employees, the Eligible Employees to whom Awards shall be granted, the number of shares of Stock (or for Awards denominated in cash, the dollar amount) to be covered by each such Award, and the terms and conditions upon which each such Award may be exercised (in each case, to the extent not inconsistent with the provisions of this Plan). Subject to the requirements of the Plan, the terms and conditions prescribed or approved for any Award granted by the Committee (as reflected in the applicable Agreement) shall be entirely within the discretion of the Committee.

4.3. *Independent Directors' Authority to Grant Awards.* In addition to the powers enumerated in Section 4.1 (and without limiting the generality thereof), the Independent Directors shall have plenary authority and discretion to determine the time or times at which Awards shall be granted to Non-Employee Directors, the Non-Employee Directors to whom Awards shall be granted, the number of shares of Stock (or for Awards denominated in cash, the dollar amount) to be covered by each such Award, and the terms and conditions upon which each such Award may be exercised (in each case, to the extent not inconsistent with the provisions of this Plan); provided that (a) no Director shall participate in any action taken with respect to an Award granted or to be granted to such Director, unless the same action is contemplated for all similarly situated Directors, and (b) no Award shall be granted to a Non-Employee Director unless such grant is approved by a majority of the Non-Employee Directors. Subject to the requirements of the Plan, the terms and conditions prescribed or approved for any Award granted by the Independent Directors (as reflected in the applicable Agreement) shall be entirely within the discretion of the Independent Directors.

4.4. *Actions of the Committee.* A majority of the members of the Committee (but not less than two) shall constitute a quorum, and all acts, decisions or determinations of the Committee shall be by majority vote of such of its members as shall be present at a meeting duly held at which a quorum is so present. Any act, decision, or determination of the Committee reduced to writing and signed by a majority of its members (but not less than two) shall be fully effective as if it had been made, taken or done by vote of such majority at a meeting duly called and held.

4.5. *Reporting.* The Committee shall file reports and make information available as may from time to time be prescribed by the Board of Directors.

4.6. *CEO Authority to Grant Awards.* The CEO shall have authority to make Awards to Eligible Employees who are not Executive Officers or Covered Participants, including Eligible Employees who are promoted to Executive Officer positions; provided that, except to the extent that the Committee delegates additional authority, the Awards granted by the CEO in any fiscal year shall not have an aggregate value of more than \$500,000 (where value for each Award is determined on the Grant Date). The Committee may delegate to the CEO the authority to make additional Awards (in excess of the limit set forth in the immediately preceding sentence); provided that (a) the additional Awards shall be subject to a maximum aggregate Award amount, and (b) only the Committee shall be authorized to grant awards to Executive Officers and Covered Participants. The CEO shall have plenary authority and discretion to determine the time or times at which Awards that the CEO is authorized to grant shall be granted, the Eligible Employees to whom such Awards shall be granted, the number of shares of Stock (or for Awards denominated in cash, the dollar amount) to be covered by each such Award (subject to the maximum aggregate and individual limitations described above), and the terms and conditions upon which each such Award may be exercised (in each case, to the extent not inconsistent with the provisions of this Plan).

4.7. *Determining Amount Payable.* With respect to any Award that is conditioned in whole or in part on the achievement of Performance Objectives, the Administrator shall determine the extent to which the applicable Performance Objectives were achieved and shall have discretion to reduce the amount that becomes vested or payable upon achievement of such Performance Objectives.

4.8. *Decisions of the Administrator.* All determinations and decisions made by the Administrator pursuant to the provisions of the Plan shall be final, conclusive, and binding upon all Persons and the Company, except to the extent that the terms of any sale or award of shares of Stock or any grant of rights or Options under the Plan are required by law or by the Articles of Incorporation or By-laws of Avnet to be approved by the Board of Directors or shareholders.

4.9. *Law Compliance.* Notwithstanding any other provision of the Plan, the Administrator may impose such conditions on any Award, and the Board may amend the Plan in any such respects, as the Administrator or the Board determines is necessary or desirable to avoid adverse consequences under Rule 16b-3, Section 162(m) of the Code, Section 409A of the Code, Section 280G of the Code, or any other applicable law.

ARTICLE 5 OPTIONS

5.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant Options to Eligible Employees, and the Independent Directors may grant Options to Non-Employee Directors.

5.2. *Exercise Price.* The price per share at which Stock subject to an Option may be purchased shall be set forth in the Agreement. In no event shall such exercise price be less than 100% of the Fair Market Value of the Stock on the Grant Date.

5.3. *Term.* The term of each Option granted under the Plan shall be set forth in the Agreement; provided, however, that in no event shall an Option be exercisable after the day before the tenth anniversary of the

Grant Date. Unless sooner forfeited or otherwise terminated pursuant to the terms hereof or of the Agreement, each Option granted under the Plan shall expire at the end of its term, and the term may not be extended. No Option may be exercised after the expiration of its term.

5.4. *Exercisability (Vesting)*. Each Option granted under the Plan shall be subject to the vesting conditions set forth in the Agreement; provided, however, that the exercisability of any Option may be accelerated in whole or in part, at any time, by the Administrator (or its designee). Subject to the provisions of the Agreement, each Option granted under the Plan that has become exercisable pursuant to the preceding sentence shall remain exercisable thereafter until the expiration of its term as described in Section 5.3.

5.5. *Exercise*. To the extent that an Option has become exercisable in accordance with Section 5.4, such Option may be exercised by notice to Avnet, in a form approved by Avnet, stating the number of shares of Stock with respect to which such Award is being exercised, accompanied by payment in full therefor as described below. After receipt of such notice and payment, subject to Section 12.6 (Registration of Shares), Avnet shall record the stock transfer on its book and records without the need to issue a physical certificate. The payment due upon exercise of an Option may be made in any form permitted by the Administrator. The permitted forms of payment may (but are not required to) include (i) check (certified, if so required by Avnet); (ii) shares of Stock with a fair market value, at the date of receipt by Avnet, equal to the aggregate exercise price (plus withholding, if applicable); (iii) a combination of check and shares of Stock; (iv) having Avnet retain from the Stock otherwise issuable upon exercise of the Option a number of shares of Stock having a fair market value equal to the exercise price of the Option (plus withholding, if applicable); (v) to the extent permitted by applicable law, by delivering a properly executed exercise notice, together with irrevocable instructions to a broker to promptly deliver to Avnet the exercise price and to deliver to the Participant the net amount of shares received upon exercise (after subtracting the exercise price, withholding, and any broker fee); or (vi) any other manner acceptable to the Administrator.

5.6. *General Modification Rules*. The Administrator may, for such consideration (if any) as it may deem adequate and with the prior consent of the Optionee, modify the terms of any outstanding Option; provided, however, that except to the extent permitted by Section 5.7, no Option may be repriced, replaced, or regranted through cancellation, or by lowering the exercise price of such Option, and no Option with an exercise price that exceeds the Fair Market Value of a share of Stock shall be exchanged for a cash payment, without shareholder approval.

5.7. *Special Modification in the Event of a Corporate Transaction*. In the event of a corporate transaction (within the meaning of Treas. Reg. § 1.424-1(a)(3)), the Administrator may provide for the assumption or substitution of outstanding Options, provided that the requirements of Treas. Reg. § 1.424-1(a) are satisfied with respect to Incentive Stock Options, and the requirements of Treas. Reg. § 1.409A-1(b)(v)(D) are satisfied with respect to all other Options.

5.8. *Special Rules for Incentive Stock Options ("ISOs")*. ISOs shall be subject to the requirements of Section 422 of the Code, including the following (all of which shall be interpreted consistent with the intent to comply with the requirements of Section 422 of the Code and not to impose any restrictions that are not required by Section 422):

(a) *Shares Available for ISO Grants*. All shares of Stock authorized for Awards under Article 3 are available to be issued through ISOs; provided, however, that to the extent required by Section 422 of the Code, canceled Awards shall continue to be counted against the number of shares available.

(b) *Optionee Must Be an Employee*. No ISO shall be granted to any individual who is not an employee of Avnet or a Subsidiary at the time of grant.

(c) *Special Rules for 10% Owners*. An Incentive Stock Option shall not be granted to an individual who, immediately before the time the Option is granted, owns shares of Stock possessing more than 10

percent of the total combined voting power of all classes of stock of Avnet, unless the Agreement for such Incentive Stock Option provides that (i) the exercise price is no less than 110 percent (110%) of the Fair Market Value of the Stock on the Grant Date (determined in accordance with Treas. Reg. § 1.422-2(f)(1)), and (ii) the Option expires no later than the fifth anniversary of the Grant Date.

ARTICLE 6 STOCK APPRECIATION RIGHTS (“SARs”)

6.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant SARs to Eligible Employees, and the Independent Directors may grant SARs to Non-Employee Directors. Each SAR may be free-standing or related to all or part of an Option. In the discretion of the Administrator, a SAR related to an Option may be granted at any time before the related Option is exercised, expires, is terminated, or is surrendered, and may be modified when the related Option is modified.

6.2. *Exercise Price.* The exercise price per share for each free-standing SAR granted under the Plan shall be set forth in the Agreement. In no event shall the exercise price be less than 100% of the Fair Market Value of the Stock on the Grant Date.

6.3. *Term.* The term of each SAR granted under the Plan shall be set forth in the Agreement; provided, however that in no event shall a SAR be exercisable after the day before the tenth anniversary of the Grant Date. Unless sooner forfeited or otherwise terminated pursuant to the terms hereof or of the Agreement, each SAR granted under the Plan shall expire at the end of its term, and the term may not be extended. No SAR may be exercised after the expiration of its term.

6.4. *Exercisability (Vesting).* Each SAR granted under the Plan shall be subject to the vesting conditions set forth in the Agreement; provided, however, that (a) the exercisability of any SAR may be accelerated in whole or in part, at any time, by the Administrator (or its designee), and (b) if a SAR relates to all or part of an Option, such SAR shall be exercisable only to the extent that the related Option is exercisable. Subject to the provisions of the Agreement, each SAR that is exercisable pursuant to the preceding sentence shall remain exercisable thereafter until the expiration of its term as described in Section 6.3.

6.5. *Exercise.* To the extent that a SAR has become exercisable in accordance with Section 6.4, such SAR may be exercised in accordance with the procedures set forth in Section 5.5 (Exercise), but without the requirement to make a payment therefor. If the SAR is related to all or part of an Option, the Optionee must provide with the exercise notice an instrument effecting the surrender of the related portion of the Option. Each SAR may be settled in shares of Stock, cash, or a combination of cash and shares (provided that shares of Stock underlying any SAR that is settled in cash shall not be available to be issued in a future Award). No fractional shares shall be issued; any amount that would have been payable in fractional shares shall be paid in cash.

6.6. *Other Conditions.* The Administrator (or its designee) may impose any other conditions upon the exercise of SARs. Such conditions may govern the right to exercise SARs granted before the adoption or amendment of such conditions as well as SARs granted thereafter.

6.7. *Modification Rules.* The modification rules and restrictions set forth in Sections 5.6 (General Modification Rules) and 5.7 (Special Modification in the Event of a Corporate Transaction) shall also apply with respect to SARs.

ARTICLE 7 RESTRICTED STOCK

7.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant Restricted Stock to Eligible Employees, and the Independent Directors may grant Restricted Stock to Non-Employee

Directors. The number of shares granted pursuant to any Restricted Stock Award shall be set forth in the Agreement.

7.2. *Restrictions.* During the Period of Restriction set forth in the applicable Agreement, shares of Restricted Stock shall not be sold, transferred, pledged, assigned, exchanged, encumbered, alienated, hypothecated, or otherwise disposed of. Except as otherwise provided in the Agreement, if a Participant's employment or other service with the Company terminates before the end of the Period of Restriction for any shares of Restricted Stock, all such restricted shares shall be forfeited, and all rights of the Participant with respect to such shares of Stock shall immediately terminate without any payment or other consideration therefor. Any forfeited shares of Restricted Stock that had been delivered to, or held in custody for, a Participant shall be returned to Avnet, accompanied by any instrument of transfer requested by Avnet.

7.3. *Lapse of Period of Restriction (Vesting).* The Period of Restriction for each Award of Restricted Stock shall lapse only upon satisfaction of conditions set forth in the Agreement. Such conditions may be based on (a) continued service to Avnet or a Subsidiary for a specified period, (b) achievement of Performance Objectives, or (c) a combination of (a) and (b). Except as provided in Section 12.2 (Acceleration of Vesting), the Period of Restriction for any Award of Restricted Stock that is not conditioned on achievement of Performance Objectives shall lapse no faster than pro rata over the three (3) year period that starts on the Grant Date.

7.4. *Settlement of Restricted Stock.* Shares of Restricted Stock shall become freely transferable immediately following the last day of the Period of Restriction. As soon as practicable after the Period of Restriction lapses, Avnet shall record the stock transfer on its book and records without the need to issue a physical certificate.

7.5. *Voting Rights.* During the Period of Restriction, Participants in whose name Restricted Stock is granted under the Plan may exercise full voting rights with respect to those shares.

7.6. *Dividend Rights.* During the Period of Restriction, Participants in whose name Restricted Stock is granted shall be entitled to receive all dividends and other distributions paid with respect to such Restricted Stock Awards, as set forth in this Section 7.6. Dividends paid in cash shall be automatically reinvested in additional shares of Restricted Stock at a purchase price per share equal to the Fair Market Value of a share of Stock on the date such dividend is paid; provided, however, that fractional shares shall not be issued. Any amount that would have been invested in a fractional share shall be payable to the Participant in cash when the Period of Restriction for the underlying shares lapses. All additional shares of Stock received by a Participant in respect of a dividend or other distribution on Restricted Stock, whether through reinvestment or through a dividend or other distribution paid in shares of Stock, shall be subject to the same restrictions (for the same Period of Restriction) as the Restricted Stock with respect to which they were received; and the right to receive cash with respect to any fractional share shall be subject to forfeiture until the Period of Restriction for the underlying shares lapses.

7.7. *Foreign Laws.* Notwithstanding any other provision of the Plan, if Restricted Stock is to be awarded to a Participant who is subject to the laws, including the tax laws, of any country other than the United States, the Committee may, in its discretion, direct Avnet to sell, assign, or otherwise transfer the Restricted Stock to a trust or other entity or arrangement, rather than grant the Restricted Stock directly to the Participant.

ARTICLE 8 RESTRICTED STOCK UNITS

8.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant Restricted Stock Units to Eligible Employees, and the Independent Directors may grant Restricted Stock Units to Non-Employee Directors. The number of shares of Stock underlying any Restricted Stock Unit Award shall be set forth in the Agreement.

8.2. *Vesting.* An Award of Restricted Stock Units shall be subject to vesting conditions set forth in the applicable Agreement. Such vesting conditions may be based on (a) continued service to Avnet or a Subsidiary for a specified period, (b) achievement of Performance Objectives, or (c) a combination of (a) and (b). Except as provided in Section 12.2 (Acceleration of Vesting), if vesting of a Restricted Stock Unit Award is not conditioned on achievement of Performance Objectives, the Award shall become vested no faster than pro rata over the three (3) year period that starts on the Grant Date.

8.3. *Settlement of Restricted Stock Units.* Subject to Section 12.6 (Registration of Shares), as soon as practicable after any Restricted Stock Unit becomes vested, Avnet shall transfer to the Participant one share of Stock for each such vested Restricted Stock Unit, cash in lieu of shares of Stock, or a combination of cash and shares of Stock. No fractional shares shall be issued with respect to vesting of Restricted Stock Units.

8.4. *Dividend Rights.* Participants in whose name Restricted Stock Units are granted shall not be entitled to receive dividends or other distributions with respect to shares of Stock underlying such Restricted Stock Unit, unless the Agreement provides otherwise. Any right to receive dividends or other distributions shall be subject to the same vesting conditions and risk of forfeiture as the Restricted Stock Units with respect to which such right is granted, and all dividends and distributions shall be paid when the applicable Restricted Stock Units are settled.

ARTICLE 9 PERFORMANCE SHARE UNITS

9.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant Performance Share Units to Eligible Employees, and the Independent Directors may grant Performance Share Units to Non-Employee Directors. The target and maximum number of Shares deliverable upon achievement of the applicable Performance Objectives shall be set forth in the Agreement.

9.2. *Vesting.* Vesting of Performance Share Units shall be conditioned upon the achievement of specified Performance Objectives over a specified Performance Period, and such other conditions as are set forth in the Agreement.

9.3. *Settlement of Performance Shares.* After Performance Share Units become vested, Avnet shall transfer to the Participant shares of Stock or cash, or a combination of cash and shares of Stock, corresponding to the vested amount (determined after taking into account the Administrator's discretion to reduce the amount payable upon achievement of Performance Objectives). No fractional shares shall be issued with respect to vesting of Performance Share Units.

9.4. *Dividend Rights.* Participants in whose name Performance Share Units are granted shall not be entitled to receive dividends or other distributions with respect to shares of Stock underlying such Performance Share Units, unless the Agreement provides otherwise. Any right to receive dividends or other distributions shall be subject to the same vesting conditions and risk of forfeiture as the Performance Share Units with respect to which such right is granted, and all dividends and distributions shall be paid when the applicable Performance Share Units are settled.

ARTICLE 10 OTHER STOCK UNIT AWARDS

10.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant Other Stock Unit Awards to Eligible Employees, and the Independent Directors may grant Other Stock Unit Awards to Non-Employee Directors. Each Other Stock Unit Award may be granted as a stand-alone Award or in connection with another Award made under the Plan, and may be in the form of Stock or other securities. The number of shares of Stock or other securities underlying any Other Stock Unit Award shall be set forth in the Agreement.

10.2. *Amount of Award.* The value of each Other Stock Unit Award shall be based, in whole or in part, on the value of the underlying Stock or other securities. The Agreement may provide that an Other Stock Unit Award may provide to the Participant (a) dividends or dividend equivalents and (b) cash payments in lieu of or in addition to an Award.

10.3. *General Rules for Other Stock Unit Awards.* Subject to the requirements of the Plan, including this Section 10.3, the terms, restrictions, conditions, vesting requirements, and payment rules of an Other Stock Unit Award (collectively, the “Rules”) shall be set forth in the Agreement. Each Other Stock Unit Award need not be subject to comparable Rules.

(a) An Other Stock Unit Award shall be subject to vesting conditions set forth in the applicable Agreement. Such vesting conditions may be based on any criterion permitted by Section 8.2 (Vesting); provided that, except as provided in Section 12.2 (Acceleration of Vesting), the minimum vesting period required by Section 8.2 shall also apply for Other Stock Unit Awards.

(b) An Other Stock Unit Award may be contingent on the payment of cash consideration by the Participant upon receipt of the Award or provide that the Award, and any Stock or other securities issued in conjunction with the Award, be delivered without the payment of cash consideration.

(c) An Other Stock Unit Award may be subject to a deferred payment schedule, if so set forth in the Agreement.

(d) The Administrator, in its sole and complete discretion, as a result of certain circumstances, including the assumption of, or substitution of stock unit awards of a company with which Avnet or a Subsidiary participates in an acquisition, separation, or similar corporate transaction, may waive or otherwise remove, in whole or in part, any restriction or condition imposed on an Other Stock Unit Award at the time of grant.

ARTICLE 11 EXECUTIVE INCENTIVE PERFORMANCE AWARDS

11.1. *EIP Awards.* The Committee (and the CEO to the extent permitted by Section 4.6) may issue EIP Awards to Eligible Employees who are Executive Officers or members of senior management of Avnet or of any of its Subsidiaries. Neither this Article 11 nor any other provision of the Plan shall limit in any way the authority of the CEO and other Company officers to issue incentive pay and cash bonuses to Eligible Employees who are not Executive Officers.

11.2. *Determination of EIP Amount.* The amount of an EIP Award shall be determined by the Committee (or the CEO to the extent permitted by Section 4.6) and shall be contingent upon the achievement of Performance Objectives specified by the Committee, as set forth in the Agreement.

11.3. *Payment of Awards.* EIP Awards shall be paid in cash after the Performance Period has ended and the Committee has certified that the specified Performance Objectives were achieved. Except as otherwise expressly provided in an Agreement, payment shall be made no later than the end of the “applicable 2-1/2 month period” described in Treas. Reg. § 1.409A-1(b)(4)(i)(A).

11.4. *Individual Limitation.* The maximum individual EIP Award permitted for a 12-month Performance Period, is \$5,000,000. If the Performance Period is not twelve (12) months, the \$5,000,000 limitation shall be adjusted on a pro-rata basis (downward if the Performance Period is less than 12 months and upward if the Performance Period is more than 12 months) to reflect the length of the Performance Period.

ARTICLE 12
ADDITIONAL TERMS AND PROVISIONS

12.1. *Agreements.* Promptly after the granting of any Award or the modification of any outstanding Award, the Administrator shall cause such Participant to be notified of such action and shall cause Avnet to deliver to such Participant an Agreement (which Agreement shall be signed on behalf of Avnet by an officer of Avnet with appropriate authorization therefor) evidencing the Award so granted or modified and the terms and conditions thereof and including (when appropriate) an addendum evidencing the SAR so granted or modified and the terms and conditions thereof.

12.2. *Acceleration of Vesting.* The Administrator, in its sole discretion, may accelerate the vesting of any Award (including the lapsing of the Period of Restriction for Restricted Stock), or remove conditions for vesting (or lapsing of the Period of Restriction) upon a Change in Control or the Participant's death, retirement, layoff, separation from service in connection with a Change in Control, or other separation from service where the Administrator determines that such treatment is appropriate and in the Company's best interests, as well as upon assumption of, or in substitution for equity awards of a company with which Avnet or a Subsidiary participates in an acquisition, separation, merger, or similar corporate transaction; provided, however, that with respect to an Award to a Covered Participant that is intended to qualify as "other performance-based compensation," waiver of performance conditions shall be permitted only to the extent permitted by Revenue Ruling 2008-13 or any successor thereto. In addition, the Administrator may grant awards of Restricted Stock, Restricted Stock Units, and Other Stock Unit Awards that do not satisfy the minimum vesting periods and Periods of Restriction prescribed by Sections 7.3, 8.2, and 10.3(a); provided, however, that the total number of shares of Stock underlying Awards that do not satisfy such minimum vesting periods and Periods of Restriction shall not exceed five percent (5%) of the total number of shares available for grant under the Plan.

12.3. *Tax Withholding.* The Company shall have the right to deduct from all amounts paid to a Participant or beneficiary any taxes that it determines are required by law to be withheld in respect of Awards under the Plan. In the case of an Award settled in shares of Stock, no shares of Stock shall be issued, and no election under Section 83(b) of the Code shall be accepted, unless and until arrangements satisfactory to the Company have been made to satisfy any applicable withholding tax obligations. Without limiting the generality of the foregoing and subject to such terms and conditions as the Committee may impose, the Company shall have the right to (a) retain shares of Stock or (b) subject to such terms and conditions as the Committee may establish from time to time, allow Participants or beneficiaries to (i) tender shares of Stock (including shares of Stock issuable in respect of an Award) to satisfy, in whole or in part, the amount required to be withheld, or (ii) pay the required tax withholding amount to Avnet in cash; and the fair market value of shares of Stock withheld may exceed the minimum statutory withholding requirements. For purposes of determining the number of shares of Stock required to satisfy a tax withholding obligation, the fair market value shall be calculated as of the date that the amount to be withheld is determined. A Participant or beneficiary shall pay Avnet cash for any fractional share that would otherwise be required to be withheld. Regardless of the amount withheld, each Participant and beneficiary shall be responsible at all times for paying all federal, state, and local income and employment taxes allocable to such Participant or beneficiary with respect to any Award (including taxes due with respect to imputed income), and the Company shall not be responsible for any interest or penalty that a Participant incurs by failing to make timely payments of tax.

12.4. *No Right to Employment; No Right to Award.* The Plan shall not confer upon any Participant or other individual any right with respect to continuance of employment by the Company, or continuance of membership on the Board of Directors, nor shall it interfere in any way with his right, or the Company's right, to terminate his employment or Board membership at any time. No provision of the Plan shall be construed to give any Eligible Employee or Non-Employee Director a right to receive an Award.

12.5. *Shareholder Rights.* Except as provided in Article 7 with respect to Restricted Stock, no Participant shall acquire or have any rights as a shareholder of Avnet by virtue of any Award until the shares of Stock

issued pursuant to the Award or the exercise thereof are recorded in the book and records of Avnet in accordance with the terms of the Plan. Subsequent to such recordation in the book and records of Avnet, the recipient of shares of Stock shall have the full rights of a holder of such Stock.

12.6. *Registration of Shares.* It is Avnet's present intention to register the shares of Stock issued pursuant to the Plan under the Securities Act as necessary. Avnet shall not be obligated to sell or deliver any shares of Stock pursuant to the granting, vesting, or exercise of any Award unless and until—

(a) either (i) Avnet has received from its counsel an opinion concluding that such shares need not be registered under the Securities Act, or (ii) (A) such shares have been registered under the Securities Act, (B) no stop order suspending the effectiveness of such registration statement has been issued and no proceedings therefor have been instituted or threatened under the Securities Act, and (C) there is available at the time of such grant, vesting event, or exercise (as applicable) a prospectus containing certified financial statements and other information meeting the requirements of Section 10(a)(3) of the Securities Act;

(b) such shares are (or upon official notice of issuance will be) listed on each national securities exchange on which the class of Stock is then listed;

(c) if necessary, the prior approval of such delivery has been obtained from any State regulatory body having jurisdiction (but nothing herein contained shall be deemed to require Avnet to register or qualify as a foreign corporation in any State nor, except as to any matter or transaction relating to the sale or delivery of such shares, to consent in service of process in any State); and

(d) if the Committee so requires, Avnet has received an opinion from its counsel with respect to compliance with the matters set forth in subsections (a), (b), and/or (c) of this Section 12.6.

In addition, the making of any Award or determination, the delivery or recording of a stock transfer, and payment of any amount due to a Participant may be postponed for such period as Avnet may require, in the exercise of reasonable diligence, to comply with the requirements of any applicable law.

12.7. *Document Requirements.* The Committee may require, as a condition of any payment or share issuance, that certain agreements, undertakings, representations, certificates, and/or information, as the Committee may deem necessary or advisable, be executed or provided to the Company to assure compliance with all applicable laws.

12.8. *Deferrals.* The Administrator may allow a Participant to elect to defer receipt of any payment of cash or any delivery of shares of Stock that would otherwise be due to such Participant by virtue of the exercise, earn-out, or settlement of any Award made under the Plan, other than Options or Stock Appreciation Rights. If such election is permitted, the Committee shall establish rules and procedures for such deferrals, including provisions that the Committee or the Participant determines are necessary or advisable to comply with, or avoid being subject to, the requirements of Section 409A of the Code, and provisions for the payment or crediting of dividend equivalents in respect of deferrals credited in units of Stock.

12.9. *Recoupment.* Each Award shall be subject to the terms and conditions of Avnet's compensation recoupment or clawback policy, as in effect and amended from time to time, including disgorgement or repayment to the extent required by such policy (taking into account changes to such policy that are made after the date hereof and after the date of the applicable Agreement).

12.10. *Nontransferability.* Except as otherwise provided in Section 7.7 (Foreign Laws), this Section 12.10, or the applicable Agreement, no Award granted under the Plan, and no interests therein, may be sold, transferred, pledged, assigned, exchanged, encumbered or otherwise alienated or hypothecated; and each

Award shall be exercisable during the Participant's lifetime only by the Participant or his legal guardian or representative.

(a) An Award may be transferred by testamentary disposition or the laws of descent and distribution.

(b) The Committee shall have sole discretion to approve, and to establish terms and conditions for, a transfer of an Option other than an Incentive Stock Option to (i) the child, step-child, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, including adoptive relationships, and any person sharing the Participant's household (other than a tenant or employee) of the Participant (an "Immediate Family Member"); (ii) a trust in which Immediate Family Members have more than 50% of the beneficial interest; (iii) a foundation in which Immediate Family Members or the Employee control the management of the assets; or (iv) any other entity in which Immediate Family Members or the Employee own more than 50% of the voting interests (each (i) — (iv), a "Permitted Transferee"); provided, however, that, without the prior approval of the Committee, no Permitted Transferee shall further transfer an Award, either directly or indirectly, other than by testamentary disposition or the laws of descent and distribution. For example, without prior approval of the Committee, a Permitted Transferee may not transfer an Award by reason of the dissolution of, or a change in the beneficiaries of, a Permitted Transferee that is a trust; the sale, merger, consolidation, dissolution, or liquidation of a Permitted Transferee that is a partnership (or the sale of all or any portion of the partnership interests therein); or the sale, merger, consolidation, dissolution or liquidation of a Permitted Transferee that is a corporation (or the sale of all or any portion of the stock thereof).

(c) The Committee shall have discretion to authorize a transfer pursuant to a domestic relations order; provided, however, that the Committee shall not be required under any circumstance to accept or approve a transfer pursuant to a domestic relations order.

(d) An Award may be forfeited or transferred to the extent required to satisfy a tax levy or judgment under the Mandatory Victims Restitution Act or similar federal or state law.

12.11. *Applicable Law and Severability.* The Plan, and its rules, rights, agreements and regulations, shall be governed, construed, interpreted and administered solely in accordance with the laws of the state of New York, without regard to any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction. If any provision of the Plan is held invalid, illegal, or unenforceable, in whole or in part, for any reason, such determination shall not affect the validity, legality or enforceability of any remaining provision, portion of provision or the Plan overall, which shall remain in full force and effect as if such invalid, illegal or unenforceable provision (or portion thereof) had never been included in the Plan.

12.12. *Special Incentive Compensation.* No shares of Stock or other remuneration provided pursuant to an Award, other than an EIP Award, shall be included in compensation for purposes of determining the amount payable to any individual under any pension, savings, retirement, life insurance, or other employee benefits arrangement of the Company, unless otherwise determined by the Company. Remuneration provided pursuant to an EIP Award shall be included in compensation to the extent (and only to the extent) required by the applicable employee benefits arrangement.

12.13. *Section 16(b) of the Exchange Act.* All Agreements for Participants subject to Section 16(b) of the Exchange Act shall be deemed to include any such additional terms, conditions, limitations and provisions as Rule 16b-3 requires, unless the Committee in its discretion determines that any such Award should not be governed by Rule 16b-3. In addition, with respect to persons subject to Section 16(b) of the Exchange Act, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3. To the extent that any provision of the Plan or any action by the Administrator fails to comply with Rule 16b-3, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

12.14. *Section 162(m) of the Code.* Each Award to a Covered Participant that is contingent upon the achievement of Performance Objectives shall be deemed to include any such additional terms, conditions, limitations, and other provisions as are necessary for such Award to qualify as “other performance-based compensation” within the meaning of Section 162(m)(4)(C) of the Code, unless the Committee in its discretion determines that such Award is not intended to qualify as “other performance-based compensation.” Performance Objectives for each Award granted to a Covered Employee shall be measured over a stated Performance Period, on an absolute basis or relative to a pre-established target, as specified by the Committee and reflected in the Agreement. The Performance Objectives for each Award that is intended to qualify as “other performance-based compensation” shall be set forth in writing, at a time when achievement of the Performance Objectives is substantially uncertain, no later than the earlier of (a) 90 days after commencement of the period of service (within the meaning of Treas. Reg. § 1.162-27(e)(2)(i)) to which the Performance Objectives relate, or (b) before 25 percent (25%) of such period of service has elapsed. To the extent permitted by Section 162(m)(4)(C) of the Code, the Committee may adjust performance results to take into account extraordinary, unusual, non-recurring, or non-comparable items, and shall have discretion to reduce (but not to increase) the amount due upon achievement of any Performance Objective. No amount shall be paid to a Covered Employee pursuant to an Award that is contingent upon the achievement of Performance Objectives unless and until the Committee has certified that the Performance Objectives have been satisfied. To the extent required by Section 162(m) of the Code, canceled Awards shall continue to be counted against the limit set forth in Section 3.2 (Individual Limitations) on shares of Stock available for Awards.

12.15. *Section 409A of the Code.* The Plan, any Award granted under the Plan, and all Agreements evidencing such Awards, shall be interpreted, administered, and construed consistent with the intent that (a) all options, SARs, and comparable awards shall be exempt from Section 409A of the Code by reason of the exemption for certain stock rights set forth in Treas. Reg. § 1.409A-1(b)(5); (b) all Awards of Restricted Stock shall be exempt from Section 409A of the Code by reason of the exemption for restricted property governed by Section 83 of the Code set forth in Treas. Reg. § 1.409A-1(b)(6); and (c) except to the extent that the applicable Agreement clearly sets forth an intent to provide for nonqualified deferred compensation that is subject to the requirements of Section 409A, all Restricted Stock Unit Awards, Performance Share Unit Awards, Other Stock Unit Awards, and EIP Awards shall be exempt from Section 409A of the Code by reason of the “short-term deferral rule” set forth in Treas. Reg. § 1.409A-1(b)(4).

12.16. *Application of Proceeds.* The proceeds received by the Company from the sale of Stock under the Plan shall be used for general corporate purposes.

12.17. *Rules of Construction.* Whenever used in the Plan, (a) words in the masculine gender shall be deemed to refer to females as well as to males; (b) words in the singular shall be deemed to refer also to the plural; (c) the word “include” shall mean “including but not limited to”; (d) references to a statute or regulation or statutory or regulatory provision shall refer to that provision (or to a successor provision of similar import) as currently in effect, as amended, or as reenacted, and to any regulations and other formal guidance of general applicability issued thereunder; and (e) references to a law shall include any statute, regulation, rule, court case, or other requirement established by an exchange or a governmental authority or agency, and applicable law shall include any tax law that imposes requirements in order to avoid adverse tax consequences.

12.18. *Headings and Captions.* The headings and captions in this Plan document are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

12.19. *Effective Date.* The Plan shall become effective on the date the Plan is approved by Avnet’s shareholders.

**ARTICLE 13
ADJUSTMENTS UPON CHANGES IN CAPITALIZATION**

13.1. *Share Adjustments.* If the Stock is split, divided, or otherwise reclassified into or exchanged for a greater or lesser number of shares of Stock or into shares of Stock and/or any other securities of Avnet by reason of recapitalization, reclassification, stock split or reverse split, combination of shares or other reorganization, the term "Stock" as used herein shall thereafter mean the number and kind of shares or other securities into which the Stock shall have been so split, divided or otherwise reclassified or for which the Stock shall have been so exchanged; and the remaining number of shares of Stock which may, in the aggregate, thereafter be delivered pursuant to the grant or exercise of an Award and the remaining number of shares of Stock which may thereafter be delivered pursuant to the exercise of any Options and/or Stock Appreciation Rights then outstanding, shall be correspondingly adjusted. If a dividend payable in shares of Stock is paid to the holders of outstanding shares of Stock, the remaining number of shares of Stock which may, in the aggregate, thereafter be delivered pursuant to the exercise or grant of Awards, and the remaining number of shares of Stock that may thereafter be delivered pursuant to the exercise of any Awards then outstanding shall be increased by the percentage that the number of shares of Stock so paid as a dividend bears to the total number of shares of Stock outstanding immediately before the payment of such dividend. If an extraordinary cash dividend is paid to the holders of outstanding shares of Stock, the remaining number of shares of Stock that may, in the aggregate, thereafter be delivered pursuant to the exercise or grant of Awards and the remaining number of shares of Stock that may thereafter be delivered pursuant to the exercise of any Awards then outstanding, shall be equitably adjusted by the Committee.

13.2. *Exercise Price Adjustments.* If the Stock is split, divided or otherwise reclassified or exchanged, or that any dividend payable in shares or Stock or extraordinary cash dividend is paid to the holders of outstanding shares of Stock, in each case, as provided in the preceding paragraph, the purchase price per share of Stock upon exercise of outstanding Options, and the aggregate number of shares of Stock with respect to which Awards may be granted to any Participant in any calendar year, shall be correspondingly adjusted.

13.3. *Fractional Shares.* Notwithstanding any other provision of this Article 13, if upon any adjustment made in accordance with Section 13.1 above, the remaining number of shares of Stock which may thereafter be delivered pursuant to the exercise of any Award then outstanding shall include a fractional share of Stock, such fractional share of Stock shall be disregarded for all purposes of the Plan and the Optionee holding such Award shall become entitled neither to purchase the same nor to receive cash or other property in payment therefor or in lieu thereof.

**ARTICLE 14
AMENDMENT OR TERMINATION OF THE PLAN**

14.1. The Plan shall automatically terminate on November 30, 2023, unless it is sooner terminated pursuant to Section 14.2, below. No Award shall be granted after the Plan terminates. All Awards granted before the Plan terminates shall continue in effect thereafter in accordance with the terms of the applicable Agreements and the Plan.

14.2. *Reservation of Rights.* The Board of Directors may amend or terminate the Plan at any time as the Board may deem advisable and in the best interests of Avnet; provided, however, that—

- (i) the terms of an outstanding Award shall not be changed without written consent of the Participant and,
 - (ii) the affirmative vote of a majority of the votes cast at a meeting of the shareholders of Avnet duly called and held for that purpose, shall be required for any change that (a) affects the composition or functioning of the Committee; (b) materially increases the aggregate number of shares of Stock that may
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be delivered pursuant to the exercise of Awards; (c) materially increases the aggregate number of shares of Stock with respect to which Options or other Awards may be granted to any Participant during any calendar year; (d) materially decreases the minimum purchase price per share of Stock (in relation to the Fair Market Value thereof at the respective dates of grant) upon the exercise of Options; (e) extends the ten-year maximum period within which an Award is exercisable or the termination date of the Plan; or (f) otherwise triggers a shareholder approval requirement under an applicable law or listing standard.

AVNET, INC.
2016 STOCK COMPENSATION AND INCENTIVE PLAN
(As Amended and Restated Effective as of May 8, 2018)

ARTICLE 1
PURPOSE OF THE PLAN

The Avnet, Inc. 2016 Stock Compensation and Incentive Plan, as amended and restated, is intended to advance the interests of the Company by helping Avnet and its Subsidiaries to attract, retain, and appropriately motivate high caliber persons to serve as Eligible Employees and Non-Employee Directors, and by providing incentives to Eligible Employees and Non-Employee Directors that are consistent with the shareholders' interest in maximizing the value of Avnet's Stock.

ARTICLE 2
DEFINITIONS

The following terms, when used in capitalized form, shall have the meanings set forth below:

2.1. "*Administrator*" means—

- (a) with respect to each Award granted to an Eligible Employee, the Committee; and
- (b) with respect to each Award granted to a Non-Employee Director, the Independent Directors.

2.2. "*Agreement*" means the document (written or electronic) that evidences an Award granted hereunder and sets forth the material terms thereof, including any addendum thereto. Each Agreement shall be in such form as prescribed or approved by the Administrator.

2.3. "*Avnet*" means Avnet, Inc.

2.4. "*Award*" means a grant under the Plan of an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Share Unit, Other Stock Unit Award, or Executive Incentive Performance Award, as evidenced by an Agreement.

2.5. "*Board of Directors*" and "*Director*" shall mean, respectively, the Board of Directors of Avnet and any member thereof.

2.6. "*Change in Control*" means the happening of any of the following:

- (a) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a "Person")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of either: (A) the then outstanding shares of Stock or (B) the combined voting power of the then outstanding voting securities of Avnet entitled to vote generally in the election of Directors; provided, however, that the following transactions shall not constitute a Change in Control under this subsection (a): (i) any acquisition
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directly from Avnet (excluding an acquisition by virtue of the exercise of a conversion privilege), (ii) any acquisition by Avnet or an entity controlled by Avnet, or (iii) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by Avnet or any entity controlled by Avnet; or

(b) the individuals who, as of the date of the 2016 annual meeting of Avnet's stockholders (the "Determination Date") constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that an individual who becomes a Director subsequent to the Determination Date shall be treated as a member of the Incumbent Board if (i) his election, or nomination for election by Avnet's stockholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board, and (ii) his initial assumption of office does not occur as a result of an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than a majority of the then Incumbent Board; or

(c) a complete liquidation or dissolution of Avnet, or the sale or other disposition of all or substantially all of the assets of Avnet (in one or more transactions).

2.7. "*CEO*" means the Chief Executive Officer of Avnet.

2.8. "*Code*" means the Internal Revenue Code of 1986, as amended.

2.9. "*Committee*" means the Compensation Committee of the Board of Directors, which shall consist of three or more Non-Employee Directors appointed by the Board of Directors. No individual who is not both a "non-employee director" within the meaning of Rule 16b-3 and an "outside director" within the meaning of Section 162(m) of the Code shall serve as a member of the Committee.

2.10. "*Company*" means Avnet and all its Subsidiaries.

2.11. "*Covered Participant*" means a Participant who is a "covered employee" under Section 162(m) of the Code.

2.12. "*Eligible Employee*" means an employee of Avnet or of any of its Subsidiaries. The term "Eligible Employee" shall also include an individual retained by Avnet or any of its Subsidiaries to render services as a consultant or advisor other than services in connection with the offer or sale of securities in a capital-raising transaction or services that directly or indirectly promote or maintain a market for Avnet's securities.

2.13. "*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

2.14. "*Executive Incentive Performance Award*" or "*EIP Award*" means a performance-based cash award granted pursuant to Article 11.

2.15. "*Executive Officer*" means an employee designated by Avnet as an executive officer under Rule 16b-3.

2.16. "*Fair Market Value*" means, with respect to any date, the closing price (as reported for the Nasdaq Composite Index) at which shares of Stock have been sold on such date (or, if such date is a date for which no trading is so reported, on the next preceding date for which trading is so reported), or such other price as determined by the Committee in accordance with applicable law.

2.17. "*Grant Date*" means, with respect to granting an Award or modification of an outstanding Award, the date on which the material terms of the Award (including the number of shares covered by the Award, the conditions for vesting, lapse of the Period of Restriction, and exercise, and the purchase price, if any) are established and all action constituting the making or modification of such Award is completed, without regard to (a) the date on which the applicable Agreement is executed or (b) whether such Award or modification is subject to future shareholder approval or other conditions. The Grant Date for any Award shall not occur before the recipient of the Award becomes an Eligible Employee or Non-Employee Director, as applicable.

2.18. “*Incentive Stock Option*” or “*ISO*” means an Option intended to qualify as an “incentive stock option” under Section 422 of the Code.

2.19. “*Independent Directors*” means members of the Board of Directors acting as a group, each of whom satisfies Avnet’s “Director Independence Standards.”

2.20. “*Non-Employee Director*” means a Director who is not an Eligible Employee.

2.21. “*Option*” means an Award granted pursuant to Article 5. In general, an Option gives the recipient the right to purchase a specified number of shares, which may be vested shares or Restricted Stock, at a specified price during a specified term, subject to the terms and conditions of the applicable Agreement.

2.22. “*Optionee*” means a person who, at the time in question, holds an Option that then remains unexercised in whole or in part, has not been surrendered, and has not expired or terminated. The term “Optionee” also includes any Successor Optionee.

2.23. “*Other Stock Unit Award*” means a full value Award (*i.e.*, not an Option, SAR, or other appreciation award) granted pursuant to Article 10.

2.24. “*Participant*” means an Eligible Employee or Non-Employee Director who has been granted an Award hereunder.

2.25. “*Performance Criteria*” means any of the following criteria as related to Avnet, any Subsidiary, or any division or other area of Avnet or a Subsidiary:

(i) Economic profit; economic value added; price of Stock; total stockholder return; revenues; sales; sales productivity; sales growth; net income; operating income; gross profit; earnings per share; return on equity; return on investment; return on capital employed; cash flow; operating margin; gross margin; operating unit contribution; achievement of annual operating profit plans; debt level; market share; net worth; or other similar financial performance measures as may be determined by the Committee; or

(ii) Strategic business criteria consisting of one or more objectives based on meeting specified market penetration or market share; geographic business expansion; objective customer satisfaction goals; objective goals relating to divestitures, joint ventures, mergers, acquisitions, and similar transactions; implementation or completion of specified projects or processes strategic or critical to the Company’s business operations; individual business objectives; objective measures of brand recognition/acceptance; performance achievements on designated projects or objectives; objective measures of regulatory compliance; successful completion of internal or external audits; successful integration of business units; successful hiring, retention of talent, or other succession planning; or objective measures of employee engagement and satisfaction.

In addition, for any Participant who is not a Covered Participant, Performance Criteria may include any other criteria selected by the Committee.

2.26. “*Performance Objectives*” means, for any Award that is contingent in whole or in part on achievement of performance objectives, the objectives or other performance levels with respect to specified Performance Criteria that are measured over a Performance Period for the purpose of determining the amount of such Award and/or whether such Award is granted or vested.

2.27. “*Performance Period*” means a period over which achievement of Performance Objectives is measured, as set forth in the applicable Agreement.

2.28. “*Performance Share Unit*” means an Award granted pursuant to Article 9. In general, a Performance Share Unit gives the recipient a contractual right to receive a target number of shares of Stock or cash upon the attainment of specified Performance Objectives.

2.29. “*Period of Restriction*” means the period during which the transfer of shares of Restricted Stock is restricted, pursuant to Article 7.

2.30. “*Plan*” means the Avnet, Inc. 2016 Stock Compensation and Incentive Plan, as set forth herein and as amended from time to time.

2.31. “*Restricted Stock*” means an Award of Stock granted pursuant to Article 7. In general, Restricted Stock is Stock that, during a Period of Restriction, is subject to a substantial risk of forfeiture and restrictions against sale or other transfer.

2.32. “*Restricted Stock Unit*” means an Award granted pursuant to Article 8. In general, a Restricted Stock Unit gives the recipient a contractual right to receive cash or shares of Stock upon the attainment of specified vesting conditions.

2.33. “*Rule 16b-3*” means SEC Rule 16b-3 promulgated under the Exchange Act.

2.34. “*Securities Act*” means the Securities Act of 1933, as amended.

2.35. “*Stock*” means, subject to the adjustment provisions set forth in Article 13, Avnet’s \$1.00 par value common stock.

2.36. “*Stock Appreciation Right*” or “*SAR*” means an Award granted pursuant to Article 6. In general, a Stock Appreciation Right gives the recipient the right to receive, upon exercise of the Award, an amount equal to the excess of the Fair Market Value of the shares of Stock with respect to which the SAR is being exercised (determined as of the exercise date) over the exercise price set forth in the Agreement.

2.37. “*Subsidiary*” means a corporation in which Avnet directly or indirectly owns more than 50% of the total combined voting power of all classes of capital stock.

2.38. “*Successor Optionee*” means any person who, under the provisions of Article 5, has acquired from an Optionee the right to exercise an Option, for so long as such Option remains unexercised in whole or in part, and has not been surrendered, exercised, or terminated.

ARTICLE 3 SHARES RESERVED FOR THE PLAN

3.1. *General Limitations.* Subject to the adjustment provisions set forth in Article 13, the maximum number of shares of Stock that may be delivered pursuant to the exercise of Awards granted under the Plan shall be 5,000,000. All such shares shall be available for any type of Award, including Incentive Stock Options. At no time shall there be outstanding Awards under the Plan covering more than such maximum number of shares less the aggregate of the shares of Stock previously delivered pursuant to the exercise of Options (including the shares of Stock previously covered by Options surrendered in connection with the exercise of SARs), the shares of Stock with respect to which stock-settled SARs have been exercised (without regard to the number of shares of Stock issued upon settlement of such SARs), and the shares of Stock previously delivered pursuant to the vesting of Restricted Stock, Restricted Stock Units, Performance Share Units, and Other Stock Unit Awards. The shares of Stock authorized hereunder shall be in addition to the shares of Stock authorized for grant under the Avnet, Inc. 2013 Stock Compensation Plan (the “2013 Plan”), which shall continue to be available for grant under the 2013 Plan. Shares of Stock subject to Awards may consist of authorized but unissued shares of Stock and/or shares of Stock held in Avnet’s treasury.

3.2. *Individual Limitations.* No individual may be granted Awards in any calendar year for more than 1,000,000 shares in the aggregate (including Options, SARs, Restricted Stock, Restricted Stock Units, Performance Share Units, and other equity-based awards). Awards granted to an individual in a calendar year may consist of a single type (*e.g.*, Options) or a mix of types, as long as the aggregate share limit for the year is not exceeded. In addition, no Non-Employee Director may be granted Awards covering shares with a value at the time of grant of more than \$1 million in any calendar year; provided, however, that Awards covering shares with a value of up to \$2 million may be granted to a Non-Employee Director during the calendar year in which the Non-Employee Director first joins the Board of Directors or is first designated as Chairman of the Board of Directors or Lead Director.

3.3. *Termination and Expiration of Awards.* If an Award is canceled, forfeited, expired or otherwise terminates or is settled without delivery of shares of Stock, whether in whole or in part, the number of shares of Stock covered by such Award immediately before such cancellation, forfeiture, expiration, termination, or settlement shall thereupon be added back to the number of shares of Stock otherwise available for further grants of Awards hereunder; provided, however, that the following transactions involving shares of Stock shall not result in shares of Stock becoming available for subsequent Awards: (a) Stock tendered or withheld in payment of the exercise price of an Option; (b) Stock tendered or withheld for taxes; (c) Stock that was subject to a stock-settled SAR or an Option that was related to a SAR and was not issued upon the settlement or exercise of such SAR; and (d) Stock repurchased by the Company with the proceeds of an Option exercise.

ARTICLE 4 ADMINISTRATION OF THE PLAN

4.1. *Plan Administration.* This Plan shall be administered by the Administrator. The Administrator shall have full and exclusive power to: (a) construe and interpret the Plan; (b) establish and amend rules and regulations for the administration of the Plan; (c) correct any defect, remedy any omission, and reconcile any ambiguity or inconsistency in the Plan or any Award in the manner and to the extent it deems necessary or desirable to carry out the intent of the Plan and such Award; and (d) certify the level as to which each Performance Objective was attained. Subject to Section 4.6, the Administrator may delegate some or all of its authority under the Plan (including powers not referenced in this Section 4.1) to one or more Company officers, to the extent permitted by and not inconsistent with any requirements of applicable law.

4.2. *Committee's Authority to Grant Awards.* In addition to the powers enumerated in Section 4.1 (and without limiting the generality thereof), the Committee shall have plenary authority and discretion to determine the time or times at which Awards shall be granted to Eligible Employees, the Eligible Employees to whom Awards shall be granted, the number of shares of Stock (or for Awards denominated in cash, the dollar amount) to be covered by each such Award, and the terms and conditions upon which each such Award may be exercised (in each case, to the extent not inconsistent with the provisions of this Plan). Subject to the requirements of the Plan, the terms and conditions prescribed or approved for any Award granted by the Committee (as reflected in the applicable Agreement) shall be entirely within the discretion of the Committee.

4.3. *Independent Directors' Authority to Grant Awards.* In addition to the powers enumerated in Section 4.1 (and without limiting the generality thereof), the Independent Directors shall have plenary authority and discretion to determine the time or times at which Awards shall be granted to Non-Employee Directors, the Non-Employee Directors to whom Awards shall be granted, the number of shares of Stock (or for Awards denominated in cash, the dollar amount) to be covered by each such Award, and the terms and conditions upon which each such Award may be exercised (in each case, to the extent not inconsistent with the provisions of this Plan); provided that (a) no Director shall participate in any action taken with respect to an Award granted or to be granted to such Director, unless the same action is contemplated for all similarly situated Directors, and (b) no Award shall be granted to a Non-Employee Director unless such grant is approved by a majority of the Independent Directors. Subject to the requirements of the Plan, the terms and conditions prescribed or approved for any Award granted by the Independent Directors (as reflected in the applicable Agreement) shall be entirely within the discretion of the Independent Directors.

4.4. *Actions of the Committee.* A majority of the members of the Committee (but not less than two) shall constitute a quorum, and all acts, decisions or determinations of the Committee shall be by majority vote of such of its members as shall be present at a meeting duly held at which a quorum is so present. Any act, decision, or determination of the Committee reduced to writing and signed by a majority of its members (but not less than two) shall be fully effective as if it had been made, taken or done by vote of such majority at a meeting duly called and held.

4.5. *Reporting.* The Committee shall provide reports as may from time to time be prescribed by the Board of Directors.

4.6. *CEO Authority to Grant Awards.* The CEO shall have authority to make Awards to Eligible Employees who are not Executive Officers or Covered Participants, including Eligible Employees who are promoted to Executive Officer positions, subject to such limits, if any, as the Committee may impose. The CEO shall have plenary authority and discretion to determine the time or times at which Awards that the CEO is authorized to grant shall be granted, the Eligible Employees to whom such Awards shall be granted, the number of shares of Stock (or for Awards denominated in cash, the dollar amount) to be covered by each such Award, and the terms and conditions upon which each such Award may be exercised (in each case, to the extent not inconsistent with the provisions of this Plan).

4.7. *Determining Amount Payable.* With respect to any Award that is conditioned in whole or in part on the achievement of Performance Objectives, the Administrator shall determine the extent to which the applicable Performance Objectives were achieved and shall have discretion to reduce the amount that becomes vested or payable upon achievement of such Performance Objectives.

4.8. *Decisions of the Administrator.* All determinations and decisions made by the Administrator pursuant to the provisions of the Plan shall be final, conclusive, and binding upon all persons and the Company, except to the extent that the terms of any sale or award of shares of Stock, or any grant of rights or Options under the Plan, are required by law or by the Articles of Incorporation or By-laws of Avnet to be approved by the Board of Directors or shareholders.

4.9. *Law Compliance.* Notwithstanding any other provision of the Plan, the Administrator may impose such conditions on any Award, and the Board of Directors may amend the Plan in any such respects, as the Administrator or the Board of Directors determines is necessary or desirable to avoid adverse consequences under Rule 16b-3, Section 162(m) of the Code, Section 409A of the Code, Section 280G of the Code, or any other applicable law; and the Plan shall be construed consistently with the intent to avoid adverse consequences under applicable law.

ARTICLE 5 OPTIONS

5.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant Options to Eligible Employees, and the Independent Directors may grant Options to Non-Employee Directors.

5.2. *Exercise Price.* The price per share at which Stock subject to an Option may be purchased shall be set forth in the Agreement. In no event shall such exercise price be less than 100% of the Fair Market Value of the Stock on the Grant Date.

5.3. *Term.* The term of each Option granted under the Plan shall be set forth in the Agreement; provided, however, that in no event shall an Option be exercisable after the day before the tenth anniversary of the Grant Date. Unless sooner forfeited or otherwise terminated pursuant to the terms hereof or of the Agreement, each Option granted under the Plan shall expire at the end of its term, and the term may not be extended. No Option may be exercised after the expiration of its term.

5.4. *Exercisability (Vesting).* Each Option granted under the Plan shall be subject to the vesting conditions set forth in the Agreement; provided, however, that the exercisability of any Option may be accelerated to the extent permitted by Section 12.2 (Acceleration of Vesting). Subject to Section 12.2, an Option shall become vested no faster than pro rata over the three (3) year period that starts on the Grant Date. Subject to the provisions of the Agreement, each Option granted under the Plan that has become exercisable pursuant to this Section 5.4 shall remain exercisable thereafter until the expiration of its term as described in Section 5.3.

5.5. *Exercise.* To the extent that an Option has become exercisable in accordance with Section 5.4, such Option may be exercised by notice to Avnet, in a form approved by Avnet, stating the number of shares of Stock with respect to which such Award is being exercised, accompanied by payment in full therefor as described below. After receipt of such notice and payment, subject to Section 12.6 (Registration of Shares), Avnet shall record the stock transfer on its books and records without the need to issue a physical certificate. The payment due upon exercise of an Option may be made in any form permitted by the Administrator. The permitted forms of payment may (but are not required to) include (i) check (certified, if so required by Avnet); (ii) shares of Stock with a fair market value, at the date of receipt by Avnet, equal to the aggregate exercise price (plus withholding, if applicable); (iii) a combination of check and shares of Stock; (iv) having Avnet retain from the Stock otherwise issuable upon exercise of the Option a number of shares of Stock having a fair market value equal to the exercise price of the Option (plus withholding, if applicable); (v) to the extent permitted by applicable law, by delivering a properly executed exercise notice, together with irrevocable instructions to a broker to promptly deliver to Avnet the exercise price and to deliver to the Participant the net amount of shares received upon exercise (after subtracting the exercise price, withholding, and any broker fee); or (vi) any other manner acceptable to the Administrator.

5.6. *General Modification Rules.* The Administrator may, for such consideration (if any) as it may deem adequate and with the prior consent of the Optionee, modify the terms of any outstanding Option; provided, however, that except to the extent permitted by Section 5.8, no Option may be repriced, replaced, or regranted through cancellation, or by lowering the exercise price of such Option, and no Option with an exercise price that exceeds the Fair Market Value of a share of Stock shall be exchanged for a cash payment, without shareholder approval.

5.7. *Dividend Rights.* Participants in whose name Options are granted shall not be entitled to receive dividends or other distributions with respect to shares of Stock underlying such Options.

5.8. *Special Modification in the Event of a Corporate Transaction.* In the event of a corporate transaction (within the meaning of Treas. Reg. § 1.424-1(a)(3)), the Administrator may provide for the assumption or substitution of outstanding Options, provided that the requirements of Treas. Reg. § 1.424-1(a) are satisfied with respect to Incentive Stock Options, and the requirements of Treas. Reg. § 1.409A-1(b)(v)(D) are satisfied with respect to all other Options.

5.9. *Special Rules for Incentive Stock Options (“ISOs”).* ISOs shall be subject to the requirements of Section 422 of the Code, including the following (all of which shall be interpreted consistent with the intent to comply with the requirements of Section 422 of the Code and not to impose any restrictions that are not required by Section 422):

(a) *Shares Available for ISO Grants.* All shares of Stock authorized for Awards under Article 3 are available to be issued through ISOs; provided, however, that to the extent required by Section 422 of the Code, canceled Awards shall continue to be counted against the number of shares available.

(b) *Optionee Must Be an Employee.* No ISO shall be granted to any individual who is not an employee of Avnet or a Subsidiary.

(c) *Special Rules for 10% Owners.* An Incentive Stock Option shall not be granted to an individual who, immediately before the time the Option is granted, owns shares of Stock possessing more than 10 percent of the total combined voting power of all classes of stock of Avnet, unless the Agreement for such Incentive Stock Option provides that (i) the exercise price is no less than 110 percent (110%) of the Fair Market Value of the Stock on the Grant Date (determined in accordance with Treas. Reg. § 1.422-2(f)(1)), and (ii) the Option expires no later than the fifth anniversary of the Grant Date.

ARTICLE 6 STOCK APPRECIATION RIGHTS (“SARs”)

6.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant SARs to Eligible Employees, and the Independent Directors may grant SARs to Non-Employee Directors. Each SAR may be free-standing or related to all or part of an Option. In the discretion of the Administrator, a SAR related to an Option may be granted at any time before the related Option is exercised, expires, is terminated, or is surrendered, and may be modified when the related Option is modified.

6.2. *Exercise Price.* The exercise price per share for each free-standing SAR granted under the Plan shall be set forth in the Agreement. In no event shall the exercise price be less than 100% of the Fair Market Value of the Stock on the Grant Date.

6.3. *Term.* The term of each SAR granted under the Plan shall be set forth in the Agreement; provided, however that in no event shall a SAR be exercisable after the day before the tenth anniversary of the Grant Date. Unless sooner forfeited or otherwise terminated pursuant to the terms hereof or of the Agreement, each SAR granted under the Plan shall expire at the end of its term, and the term may not be extended. No SAR may be exercised after the expiration of its term.

6.4. *Exercisability (Vesting).* Each SAR granted under the Plan shall be subject to the vesting conditions set forth in the Agreement; provided, however, that (a) the exercisability of any SAR may be accelerated to the extent permitted by Section 12.2 (Acceleration of Vesting), and (b) if a SAR relates to all or part of an Option, such SAR shall be exercisable only to the extent that the related Option is exercisable. Subject to Section 12.2, a SAR shall become vested no faster than pro rata over the three (3) year period that starts on the Grant Date. Subject to the provisions of the Agreement, each SAR that is exercisable pursuant to this Section 6.4 shall remain exercisable thereafter until the expiration of its term as described in Section 6.3.

6.5. *Exercise.* To the extent that a SAR has become exercisable in accordance with Section 6.4, such SAR may be exercised in accordance with the procedures set forth in Section 5.5 (Exercise), but without the requirement to make a payment therefor. If the SAR is related to all or part of an Option, the Optionee must provide with the exercise notice an instrument effecting the surrender of the related

portion of the Option. Each SAR may be settled in shares of Stock, cash, or a combination of cash and shares (provided that shares of Stock underlying any SAR that is settled in cash shall not be available to be issued in a future Award). No fractional shares shall be issued; any amount that would have been payable in fractional shares shall be paid in cash.

6.6. *Other Conditions.* The Administrator (or its designee) may impose any other conditions upon the exercise of SARs. Such conditions may govern the right to exercise SARs granted before the adoption or amendment of such conditions as well as SARs granted thereafter.

6.7. *Dividend Rights.* Participants in whose name SARs are granted shall not be entitled to receive dividends or other distributions with respect to shares of Stock underlying such SARs.

6.8. *Modification and Cancellation Rules.* The modification and cancellation rules and restrictions set forth in Sections 5.6 (General Modification Rules) and 5.8 (Special Modification in the Event of a Corporate Transaction) shall also apply with respect to SARs.

ARTICLE 7 RESTRICTED STOCK

7.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant Restricted Stock to Eligible Employees, and the Independent Directors may grant Restricted Stock to Non-Employee Directors. The number of shares granted pursuant to any Restricted Stock Award, and the purchase price (if any), shall be set forth in the Agreement.

7.2. *Restrictions.* During the Period of Restriction set forth in the applicable Agreement, shares of Restricted Stock shall not be sold, transferred, pledged, assigned, exchanged, encumbered, alienated, hypothecated, or otherwise disposed of. Except as otherwise provided in the Agreement, if a Participant's employment or other service with the Company terminates before the end of the Period of Restriction for any shares of Restricted Stock, all such restricted shares shall be forfeited, and all rights of the Participant with respect to such shares of Stock shall immediately terminate without any payment or other consideration therefor; provided that if the Participant paid for any of the forfeited shares, the Company shall refund the purchase price (without interest or any other earnings). Any forfeited shares of Restricted Stock that had been delivered to, or held in custody for, a Participant shall be returned to Avnet, accompanied by any instrument of transfer requested by Avnet.

7.3. *Lapse of Period of Restriction (Vesting).* The Period of Restriction for each Award of Restricted Stock shall lapse only upon satisfaction of conditions set forth in the Agreement. Such conditions may be based on (a) continued service to Avnet or a Subsidiary for a specified period,

(b) achievement of Performance Objectives, or (c) a combination of (a) and (b). Subject to Section 12.2, the Period of Restriction for any Award of Restricted Stock shall lapse no faster than pro rata over the three (3) year period that starts on the Grant Date.

7.4. *Settlement of Restricted Stock.* Shares of Restricted Stock shall become freely transferable immediately following the last day of the Period of Restriction. As soon as practicable after the Period of Restriction lapses, Avnet shall record the stock transfer on its books and records without the need to issue a physical certificate.

7.5. *Voting Rights.* During the Period of Restriction, Participants in whose name Restricted Stock is granted under the Plan may exercise full voting rights with respect to those shares.

7.6. *Dividend Rights.* During the Period of Restriction, Participants in whose name Restricted Stock is granted shall be entitled to receive all dividends and other distributions paid with respect to such Restricted Stock Awards, as set forth in this Section 7.6. Dividends paid in cash shall be automatically reinvested in additional shares of Restricted Stock at a purchase price per share equal to the Fair Market Value of a share of Stock on the date such dividend is paid; provided, however, that fractional shares shall not be issued. Any amount that would have been invested in a fractional share shall be payable to the Participant in cash when the Period of Restriction for the underlying shares lapses. All additional shares of Stock received by a Participant in respect of a dividend or other distribution on Restricted Stock, whether through reinvestment or through a dividend or other distribution paid in shares of Stock, shall be subject to the same restrictions (for the same Period of Restriction) as the

Restricted Stock with respect to which they were received; and the right to receive cash with respect to any fractional share shall be subject to forfeiture until the Period of Restriction for the underlying shares lapses.

7.7. *Foreign Laws.* Notwithstanding any other provision of the Plan, if Restricted Stock is to be awarded to a Participant who is subject to the laws, including the tax laws, of any country other than the United States, the Committee may, in its discretion, direct Avnet to sell, assign, or otherwise transfer the Restricted Stock to a trust or other entity or arrangement, rather than grant the Restricted Stock directly to the Participant.

ARTICLE 8 RESTRICTED STOCK UNITS

8.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant Restricted Stock Units to Eligible Employees, and the Independent Directors may grant Restricted Stock Units to Non-Employee Directors. The number of shares of Stock underlying any Restricted Stock Unit Award shall be set forth in the Agreement.

8.2. *Vesting.* An Award of Restricted Stock Units shall be subject to vesting conditions set forth in the applicable Agreement. Such vesting conditions may be based on (a) continued service to Avnet or a Subsidiary for a specified period, (b) achievement of Performance Objectives, or (c) a combination of (a) and (b). Subject to Section 12.2, a Restricted Stock Unit Award shall become vested no faster than pro rata over the three (3) year period that starts on the Grant Date.

8.3. *Settlement of Restricted Stock Units.* Subject to Section 12.6 (Registration of Shares), as soon as practicable after any Restricted Stock Unit becomes vested, Avnet shall transfer to the Participant one share of Stock for each such vested Restricted Stock Unit, cash in lieu of shares of Stock, or a combination of cash and shares of Stock. No fractional shares shall be issued with respect to vesting of Restricted Stock Units.

8.4. *Dividend Rights.* Participants in whose name Restricted Stock Units are granted shall not be entitled to receive dividends or other distributions with respect to shares of Stock underlying such Restricted Stock Unit, unless the Agreement provides otherwise. Any right to receive dividends or other distributions shall be subject to the same vesting conditions and risk of forfeiture as the Restricted Stock Units with respect to which such right is granted, and all dividends and distributions shall be paid when the applicable Restricted Stock Units are settled.

ARTICLE 9 PERFORMANCE SHARE UNITS

9.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant Performance Share Units to Eligible Employees, and the Independent Directors may grant Performance Share Units to Non-Employee Directors. The target and maximum number of Shares deliverable upon achievement of the applicable Performance Objectives shall be set forth in the Agreement.

9.2. *Vesting.* Vesting of Performance Share Units shall be conditioned upon the achievement of specified Performance Objectives over a specified Performance Period, and such other conditions as are set forth in the Agreement. Subject to Section 12.2, Awards of Performance Share Units shall become vested no faster than pro rata over the three (3) year period that starts on the Grant Date.

9.3. *Settlement of Performance Shares.* After Performance Share Units become vested, Avnet shall transfer to the Participant shares of Stock or cash, or a combination of cash and shares of Stock, corresponding to the vested amount (determined after taking into account the Administrator's discretion to reduce the amount payable upon achievement of Performance Objectives). No fractional shares shall be issued with respect to vesting of Performance Share Units.

9.4. *Dividend Rights.* Participants in whose name Performance Share Units are granted shall not be entitled to receive dividends or other distributions with respect to shares of Stock underlying such Performance Share Units, unless the Agreement provides otherwise. Any right to receive dividends or other distributions shall be subject to the same vesting conditions and risk of forfeiture as the Performance Share Units with respect to which such right is granted, and all dividends and distributions shall be paid when the applicable Performance Share Units are settled.

ARTICLE 10 OTHER STOCK UNIT AWARDS

10.1. *Grant.* The Committee (and the CEO to the extent permitted by Section 4.6) may grant Other Stock Unit Awards to Eligible Employees, and the Independent Directors may grant Other Stock Unit Awards to Non-Employee Directors. Each Other Stock Unit Award may be granted as a stand-alone Award or in connection with another Award made under the Plan, and may be in the form of Stock or other securities. The number of shares of Stock or other securities underlying any Other Stock Unit Award shall be set forth in the Agreement.

10.2. *Amount of Award.* The value of each Other Stock Unit Award shall be based, in whole or in part, on the value of the underlying Stock or other securities. The Agreement may provide that an Other Stock Unit Award may provide to the Participant (a) dividends or dividend equivalents and (b) cash payments in lieu of or in addition to an Award.

10.3. *General Rules for Other Stock Unit Awards.* Subject to the requirements of the Plan, including this Section 10.3, the terms, restrictions, conditions, vesting requirements, and payment rules of an Other Stock Unit Award (collectively, the “Rules”) shall be set forth in the Agreement. The Rules for each Other Stock Unit Award need not be consistent from one Other Stock Unit Award to another.

(a) An Other Stock Unit Award shall be subject to vesting conditions set forth in the applicable Agreement, which may be based on any criterion permitted by Section 8.2 (Vesting). Subject to Section 12.2, the minimum vesting period required by Section 8.2 shall also apply for Other Stock Unit Awards; provided that the minimum vesting period shall not apply for full value awards granted to Non-Employee Directors.

(b) An Other Stock Unit Award may be contingent on the payment of cash consideration by the Participant or may provide for delivery of the Award, and any Stock or other securities issued in conjunction with the Award, without any payment of cash consideration.

(c) An Other Stock Unit Award may be subject to a deferred payment schedule, if so set forth in the Agreement.

(d) The Administrator, in its sole and complete discretion, as a result of certain circumstances, including the assumption of, or substitution of stock unit awards of a company with which Avnet or a Subsidiary participates in an acquisition, separation, or similar corporate transaction, may waive or otherwise remove, in whole or in part, any restriction or condition imposed on an Other Stock Unit Award at the time of grant.

ARTICLE 11 EXECUTIVE INCENTIVE PERFORMANCE AWARDS

11.1. *EIP Awards.* The Committee (and the CEO to the extent permitted by Section 4.6) may issue EIP Awards to Eligible Employees who are Executive Officers or members of senior management of Avnet or of any of its Subsidiaries. Neither this Article 11 nor any other provision of the Plan shall limit in any way the authority of the CEO and other Company officers to issue incentive pay and cash bonuses to Eligible Employees who are not Executive Officers.

11.2. *Determination of EIP Amount.* The amount of an EIP Award shall be determined by the Committee (or the CEO to the extent permitted by Section 4.6) and shall be contingent upon the achievement of Performance Objectives specified by the Committee, as set forth in the Agreement.

11.3. *Payment of Awards.* EIP Awards shall be paid in cash after the Performance Period has ended and the Committee has certified that the specified Performance Objectives were achieved. Except as otherwise expressly provided in an Agreement, payment shall be made no later than the end of the “applicable 2-½ month period” described in Treas. Reg. § 1.409A-1(b)(4)(i)(A).

11.4. *Individual Limitation.* The maximum individual EIP Award permitted for a 12-month Performance Period, is \$5,000,000. If the Performance Period is not twelve (12) months, the \$5,000,000 limitation shall be adjusted on a pro-rata basis (downward if the Performance Period is less than 12 months and upward if the Performance Period is more than 12 months) to reflect the length of the Performance Period.

ARTICLE 12 ADDITIONAL TERMS AND PROVISIONS

12.1. *Agreements.* Promptly after the granting of any Award or the modification of any outstanding Award, the Administrator shall cause such Participant to be notified of such action and shall cause Avnet to deliver to such Participant an Agreement (which Agreement shall be signed on behalf of Avnet by an officer of Avnet with appropriate authorization therefor) evidencing the Award so granted or modified and the terms and conditions thereof and including (when appropriate) an addendum evidencing the Award so granted or modified and the terms and conditions thereof.

12.2. *Acceleration of Vesting and Cancellation of Options and SARs.* The Administrator, in its sole discretion, may accelerate the vesting of any Award (including the lapsing of the Period of Restriction for Restricted Stock), or remove conditions for vesting (or lapsing of the Period of Restriction) upon a Change in Control or the Participant’s death, retirement, layoff, separation from service in connection with a Change in Control, or other separation from service where the Administrator determines that such treatment is appropriate and in the Company’s best interests, as well as upon assumption of, or in substitution for equity awards of a company with which Avnet or a Subsidiary participates in an acquisition, separation, merger, or similar corporate transaction; provided, however, that with respect to an Award to a Covered Participant that is intended to qualify as “other performance-based compensation,” waiver of performance conditions shall be permitted only to the extent permitted by Revenue Ruling 2008-13 or any successor thereto. In addition, the Administrator may grant awards of Options, SARs, Restricted Stock, Restricted Stock Units, Performance Share Units and Other Stock Unit Awards that do not satisfy the minimum vesting periods and Periods of Restriction prescribed by Sections 5.4, 6.4, 7.3, 8.2, 9.2, and 10.3(a), provided that the total number of shares of Stock underlying Awards that do not satisfy such minimum vesting periods and Periods of Restriction shall not exceed five percent (5%) of the total number of shares available for grant under the Plan. In connection with a Change in Control, any Options or SARs may be canceled in exchange for the right (to the extent vested) to receive, at a time determined by the Administrator, a cash payment equal to the excess, if any, of the fair market value of the Stock subject to the Option or SAR over the exercise price. For the avoidance of doubt, no payment shall be required with respect to any Option or SAR for which the exercise price exceeds the fair market value of the Stock at the time of the cancellation (i.e., an “under water” option or SAR).

12.3. *Tax Withholding.* The Company shall have the right to deduct from all amounts paid to a Participant or beneficiary any taxes that it determines are required by law to be withheld in respect of Awards under the Plan. In the case of an Award settled in shares of Stock, no shares of Stock shall be issued, and no election under Section 83(b) of the Code shall be accepted, unless and until arrangements satisfactory to the Company have been made to satisfy any applicable withholding tax obligations. Without limiting the generality of the foregoing and subject to such terms and conditions as the Committee may impose, the Company shall have the right to (a) retain shares of Stock or (b) subject to such terms and conditions as the Committee may establish from time to time, allow Participants or beneficiaries to (i) tender shares of Stock (including shares of Stock issuable in respect of an Award) to satisfy, in whole or in part, the amount required to be withheld, or (ii) pay the required tax withholding amount to Avnet in cash; and the fair market value of shares of Stock withheld may exceed the minimum statutory withholding requirements. For purposes of determining the number of shares of Stock required to satisfy a tax withholding obligation, the fair market value shall be calculated as of the date that the amount to be withheld is determined. Unless a Participant or beneficiary, as applicable, requests to pay Avnet cash for any fractional share that would otherwise be required to be withheld to satisfy a tax withholding obligation, the number of shares of Stock withheld by Avnet shall be rounded up to the nearest whole number. Regardless of the amount withheld, each Participant and beneficiary shall be responsible at all times for paying all federal, state, and local income and employment taxes allocable to such Participant or beneficiary with respect to any Award (including taxes due with respect to imputed income), and the Company shall not be responsible for any interest or penalty that a Participant incurs by failing to make timely payments of tax.

12.4. *No Right to Employment; No Right to Award.* The Plan shall not confer upon any Participant or other individual any right with respect to continuance of employment by the Company, or continuance of membership on the Board of Directors, nor shall it interfere in any way with his right, or the Company's right, to terminate his employment or Board membership at any time. No provision of the Plan shall be construed to give any Eligible Employee or Non-Employee Director a right to receive an Award.

12.5. *Shareholder Rights.* Except as provided in Article 7 with respect to Restricted Stock, no Participant shall acquire or have any rights as a shareholder of Avnet by virtue of any Award until the shares of Stock issued pursuant to the Award or the exercise thereof are recorded in the books and records of Avnet in accordance with the terms of the Plan. Subsequent to such recordation in the books and records of Avnet, the recipient of shares of Stock shall have the full rights of a holder of such Stock.

12.6. *Registration of Shares.* It is Avnet's present intention to register the shares of Stock issued pursuant to the Plan under the Securities Act as necessary. Avnet shall not be obligated to sell or deliver any shares of Stock pursuant to the granting, vesting, or exercise of any Award unless and until—

(a) either (i) Avnet has received from its counsel an opinion concluding that such shares need not be registered under the Securities Act, or (ii) (A) such shares have been registered under the Securities Act, (B) no stop order suspending the effectiveness of such registration statement has been issued and no proceedings therefor have been instituted or threatened under the Securities Act, and (C) there is available at the time of such grant, vesting event, or exercise (as applicable) a prospectus containing certified financial statements and other information meeting the requirements of Section 10(a)(3) of the Securities Act;

(b) such shares are (or upon official notice of issuance will be) listed on each national securities exchange on which the class of Stock is then listed;

(c) if necessary, the prior approval of such delivery has been obtained from any State regulatory body having jurisdiction (but nothing herein contained shall be deemed to require Avnet to register or qualify as a foreign corporation in any State nor, except as to any matter or transaction relating to the sale or delivery of such shares, to consent to service of process in any State); and

(d) if the Committee so requires, Avnet has received an opinion from its counsel with respect to compliance with the matters set forth in subsections (a), (b), and/or (c) of this Section 12.6.

In addition, the making of any Award or determination, the delivery or recording of a stock transfer, and payment of any amount due to a Participant may be postponed for such period as Avnet may require, in the exercise of reasonable diligence, to comply with the requirements of any applicable law.

12.7. *Document Requirements.* The Committee may require, as a condition of any payment or share issuance, that certain agreements, undertakings, representations, certificates, and/or information, as the Committee may deem necessary or advisable, be executed or provided to the Company to assure compliance with all applicable laws.

12.8. *Deferrals.* The Administrator may allow a Participant to elect to defer receipt of any payment of cash or any delivery of shares of Stock that would otherwise be due to such Participant by virtue of the exercise, earn-out, or settlement of any Award made under the Plan, other than Options or Stock Appreciation Rights. If such election is permitted, the Committee shall establish rules and procedures for such deferrals, including provisions that the Committee or the Participant determines are necessary or advisable to comply with, or avoid being subject to, the requirements of Section 409A of the Code, and provisions for the payment or crediting of dividend equivalents in respect of deferrals credited in units of Stock.

12.9. *Recoupment.* Each Award shall be subject to the terms and conditions of Avnet's compensation recoupment or clawback policy, as in effect and amended from time to time, including disgorgement or repayment to the extent required by such policy (taking into account changes to such policy that are made after the date hereof and after the date of the applicable Agreement).

12.10. *Nontransferability.* Except as otherwise provided in Section 7.7 (Foreign Laws), this Section 12.10, or the applicable Agreement, no Award granted under the Plan, and no interests therein, may be sold, transferred, pledged, assigned, exchanged, encumbered or otherwise alienated or hypothecated; and each Award shall be exercisable during the Participant's lifetime only by the Participant or his legal guardian or representative.

(a) An Award may be transferred by testamentary disposition or the laws of descent and distribution.

(b) The Committee shall have sole discretion to approve, and to establish terms and conditions for, a transfer of an Option other than an Incentive Stock Option to (i) the child, step-child, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, including adoptive relationships, and any person sharing the Participant's household (other than a tenant or employee) of the Participant (an "Immediate Family Member"); (ii) a trust in which Immediate Family Members have more than 50% of the beneficial interest; (iii) a foundation in which Immediate Family Members or the Participant control the management of the assets; or (iv) any other entity in which Immediate Family Members or the Participant own more than 50% of the voting interests (each (i) - (iv), a "Permitted Transferee"); provided, however, that, without the prior approval of the Committee, no Permitted Transferee shall further transfer an Award, either directly or indirectly, other than by testamentary disposition or the laws of descent and distribution. For example, without prior approval of the Committee, a Permitted Transferee may not transfer an Award by reason of the dissolution of, or a change in the beneficiaries of, a Permitted Transferee that is a trust; the sale, merger, consolidation, dissolution, or liquidation of a Permitted Transferee that is a partnership (or the sale of all or any portion of the partnership interests therein); or the sale, merger, consolidation, dissolution or liquidation of a Permitted Transferee that is a corporation (or the sale of all or any portion of the stock thereof).

(c) The Committee shall have discretion to authorize a transfer pursuant to a domestic relations order; provided, however, that the Committee shall not be required under any circumstance to accept or approve a transfer pursuant to a domestic relations order.

(d) An Award may be forfeited or transferred to the extent required to satisfy a tax levy or judgment under the Mandatory Victims Restitution Act or similar federal or state law.

12.11. *Applicable Law and Severability.* The Plan, and its rules, rights, agreements and regulations, shall be governed, construed, interpreted and administered solely in accordance with the laws of the state of New York, without regard to any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction. If any provision of the Plan is held invalid, illegal, or unenforceable, in whole or in part, for any reason, such determination shall not affect the validity, legality or enforceability of any remaining provision, portion of provision or the Plan overall, which shall remain in full force and effect as if such invalid, illegal or unenforceable provision (or portion thereof) had never been included in the Plan.

12.12. *Special Incentive Compensation.* No shares of Stock or other remuneration provided pursuant to an Award, other than an EIP Award, shall be included in compensation for purposes of determining the amount payable to any individual under any pension, savings, retirement, life insurance, or other employee benefits arrangement of the Company, unless otherwise determined by the Company. Remuneration provided pursuant to an EIP Award shall be included in compensation to the extent (and only to the extent) required by the applicable employee benefits arrangement.

12.13. *Section 16(b) of the Exchange Act.* All Agreements for Participants subject to Section 16(b) of the Exchange Act shall be deemed to include any such additional terms, conditions, limitations and provisions as Rule 16b-3 requires, unless the Committee in its discretion determines that any such Award should not be governed by Rule 16b-3. In addition, with respect to persons subject to Section 16(b) of the Exchange Act, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3. To the extent that any provision of the Plan or any action by the Administrator fails to comply with Rule 16b-3, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

12.14. *Section 162(m) of the Code.* Each Award to a Covered Participant that is contingent upon the achievement of Performance Objectives shall be deemed to include any such additional terms, conditions, limitations, and other provisions as are necessary for such Award to qualify as "other performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, unless the Committee in its discretion determines that such Award is not intended to qualify as "other performance-based compensation." Performance Objectives for each Award granted to a Covered Participant shall be measured over a stated Performance Period, on an absolute basis or relative to a pre-established target, as specified by the Committee and reflected in the Agreement. The Performance Objectives for each Award that is intended to qualify as "other performance-based compensation" shall be set forth in writing, at a time when achievement of the Performance Objectives is substantially uncertain, no

later than the earlier of (a) 90 days after commencement of the period of service (within the meaning of Treas. Reg. § 1.162-27(e)(2)(i)) to which the Performance Objectives relate, or (b) before 25 percent (25%) of such period of service has elapsed. To the extent permitted by Section 162(m)(4)(C) of the Code, the Committee may adjust performance results to take into account extraordinary, unusual, infrequently occurring, or non-comparable items, and shall have discretion to reduce (but not to increase) the amount due upon achievement of any Performance Objective. No amount shall be paid to a Covered Participant pursuant to an Award that is contingent upon the achievement of Performance Objectives unless and until the Committee has certified that the Performance Objectives have been satisfied. To the extent required by Section 162(m) of the Code, canceled Awards shall continue to be counted against the limit set forth in Section 3.2 (Individual Limitations) on shares of Stock available for Awards.

12.15. *Section 409A of the Code.* The Plan, any Award granted under the Plan, and all Agreements evidencing such Awards, shall be interpreted, administered, and construed consistent with the intent that (a) all Options, SARs, and comparable awards shall be exempt from Section 409A of the Code by reason of the exemption for certain stock rights set forth in Treas. Reg. § 1.409A-1(b)(5); (b) all Awards of Restricted Stock shall be exempt from Section 409A of the Code by reason of the exemption for restricted property governed by Section 83 of the Code set forth in Treas. Reg. § 1.409A-1(b)(6); and (c) except to the extent that the applicable Agreement reflects an intent to provide for nonqualified deferred compensation that is subject to and complies with the requirements of Section 409A of the Code, all Restricted Stock Unit Awards, Performance Share Unit Awards, Other Stock Unit Awards, and EIP Awards shall be exempt from Section 409A of the Code by reason of the “short-term deferral rule” set forth in Treas. Reg. § 1.409A-1(b)(4).

12.16. *Application of Proceeds.* The proceeds received by the Company from the sale of Stock under the Plan shall be used for general corporate purposes.

12.17. *Rules of Construction.* Whenever used in the Plan, (a) words in the masculine gender shall be deemed to refer to females as well as to males; (b) words in the singular shall be deemed to refer also to the plural; (c) the word “include” shall mean “including but not limited to”; (d) references to a statute or regulation or statutory or regulatory provision shall refer to that provision (or to a successor provision of similar import) as currently in effect, as amended, or as reenacted, and to any regulations and other formal guidance of general applicability issued thereunder; and (e) references to a law shall include any statute, regulation, rule, court case, or other requirement established by an exchange or a governmental authority or agency, and applicable law shall include any tax law that imposes requirements in order to avoid adverse tax consequences.

12.18. *Headings and Captions.* The headings and captions in this Plan document are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

12.19. *Effective Date.* The Plan shall become effective on the date the Plan is approved by Avnet’s shareholders.

ARTICLE 13 ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

13.1. *Share Adjustments.* If the Stock is split, divided, or otherwise reclassified into or exchanged for a greater or lesser number of shares of Stock or into shares of Stock and/or any other securities of Avnet by reason of recapitalization, reclassification, stock split or reverse split, combination of shares or other reorganization, the term “Stock” as used herein shall thereafter mean the number and kind of shares or other securities into which the Stock shall have been so split, divided or otherwise reclassified or for which the Stock shall have been so exchanged; and the remaining number of shares of Stock which may, in the aggregate, thereafter be delivered pursuant to the grant or exercise of an Award and the remaining number of shares of Stock which may thereafter be delivered pursuant to the exercise of any Options and/or SARs then outstanding, shall be correspondingly adjusted. If a dividend payable in shares of Stock is paid to the holders of outstanding shares of Stock, the remaining number of shares of Stock which may, in the aggregate, thereafter be delivered pursuant to the exercise or grant of Awards, and the remaining number of shares of Stock that may thereafter be delivered pursuant to the exercise of any Awards then outstanding shall be increased by the percentage that the number of shares of Stock so paid as a dividend bears to the total number of shares of Stock outstanding immediately before the payment of such dividend. If an extraordinary cash dividend is paid to the holders of outstanding shares of Stock, the remaining number of shares of Stock that may, in the aggregate, thereafter be delivered pursuant to the exercise or grant of Awards and the remaining number of shares of Stock that may thereafter be delivered pursuant to the exercise of any Awards then outstanding, shall be equitably adjusted by the Committee.

13.2. *Exercise Price Adjustments.* If the Stock is split, divided or otherwise reclassified or exchanged, or if any dividend payable in shares of Stock or extraordinary cash dividend is paid to the holders of outstanding shares of Stock, in each case, as provided in the preceding paragraph, the purchase price per share of Stock upon exercise of outstanding Options, and the aggregate number of shares of Stock with respect to which Awards may be granted to any Participant in any calendar year, shall be correspondingly adjusted.

13.3. *Fractional Shares.* Notwithstanding any other provision of this Article 13, if upon any adjustment made in accordance with Section 13.1 above, the remaining number of shares of Stock which may thereafter be delivered pursuant to the exercise of any Award then outstanding shall include a fractional share of Stock, such fractional share of Stock shall be disregarded for all purposes of the Plan and the Optionee holding such Award shall become entitled neither to purchase the same nor to receive cash or other property in payment therefor or in lieu thereof.

ARTICLE 14 AMENDMENT OR TERMINATION OF THE PLAN

14.1. The Plan shall automatically terminate on November 30, 2026, unless it is sooner terminated pursuant to Section 14.2, below. No Award shall be granted after the Plan terminates. All Awards granted before the Plan terminates shall continue in effect thereafter in accordance with the terms of the applicable Agreements and the Plan.

14.2. *Reservation of Rights.* The Board of Directors may amend or terminate the Plan and/or any Award thereunder at any time as the Board of Directors may deem advisable and in the best interests of Avnet; provided, however, that—

(i) a Participant's written consent shall be required for any amendment to an outstanding Award that would adversely affect in a material manner the rights of such Participant under such Award, unless the Committee determines in its discretion that there have occurred or are about to occur significant changes in the Participant's position, duties or responsibilities, or significant changes in economic, legislative, regulatory, tax, accounting or cost/benefit conditions that the Committee determines in its sole discretion make Participant consent inappropriate under the circumstances; and

(ii) the affirmative vote of a majority of the votes cast at a meeting of the shareholders of Avnet duly called and held for that purpose, shall be required for any change that (a) affects the composition or functioning of the Committee; (b) materially increases the aggregate number of shares of Stock that may be delivered pursuant to the exercise of Awards; (c) materially increases the aggregate number of shares of Stock with respect to which Options or other Awards may be granted to any Participant during any calendar year; (d) materially decreases the minimum purchase price per share of Stock (in relation to the Fair Market Value thereof at the respective dates of grant) upon the exercise of Options; (e) extends the ten-year maximum period within which an Award is exercisable or the termination date of the Plan; or (f) otherwise triggers a shareholder approval requirement under an applicable law or listing standard.

AVNET DEFERRED COMPENSATION PLAN
 (As Amended and Restated Effective as of May 8, 2018)

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AVNET DEFERRED COMPENSATION PLAN
(As Amended and Restated Effective as of May 8, 2018)

PREAMBLE

Avnet, Inc., a New York corporation (the “Company”), previously adopted the Avnet Deferred Compensation Plan (the “Original Plan”) originally effective February 1, 1997 (the “Original Effective Date”). The Original Plan was last amended and restated effective as of January 1, 2001 into the Avnet Deferred Compensation Plan (As Amended and Restated Effective as of January 1, 2001) and thereafter amended through the Third Amendment adopted on November 10, 2005 (the “Prior Plan”). The Company then amended and restated the Prior Plan, effective generally as of January 1, 2009, to implement various design changes to the Prior Plan and primarily to comply with Section 409A of the Code (as defined below). Accordingly, the Prior Plan became known as the Avnet Deferred Compensation Plan (As Amended and Restated Effective Generally as of January 1, 2009) (the “Plan”). The Plan was further amended by the First Amendment, as filed with the Securities and Exchange Commission on August 12, 2011. The Plan is further amended and restated as set forth herein.

The Plan is intended to be a nonqualified deferred compensation plan under the Code that provides deferral of income to, and at the election of, a select group of management or highly compensated employees of an Employer (as defined below). Accordingly, the Company intends that the Plan will not be a qualified retirement plan under Code Section 401(a), and that the Plan and Trust (as defined below) will be exempt from the requirements of parts 2, 3 and 4 of Title I of ERISA. Moreover, the Company intends that the terms of this Plan document and the administration of the Plan and the Prior Plan shall be in compliance with the applicable requirements under Code Section 409A. At no time during, or after, the Interim 409A Period (as defined below) were benefits deferred under the Prior Plan before the Interim 409A Period changed in such a manner as to cause a material modification of such benefits within the meaning of the Section 409A Rules. Moreover, all benefits deferred under the Prior

Plan were at all times fully vested. Accordingly, the Company intends that benefits which were deferred under the Prior Plan before the Interim 409A Period and the earnings attributable thereto, are not subject to Code section 409A.

The Plan (and to the extent necessary the Prior Plan) shall be interpreted and construed so that benefits deferred under the Prior Plan or this Plan on and after the Interim 409A Period comply with the Section 409A Rules. The Plan shall also be interpreted and construed so that benefits deferred under the Prior Plan before the Interim 409A Period are not subject to the Section 409A Rules. Any provision of the Plan that is found to be inconsistent with the foregoing shall be deemed to be severable from the terms of the Plan and shall have no force or effect.

ARTICLE 1 DEFINITIONS

1.1 “Account” or “Accounts” means a Participant’s Deferral Account and any subaccounts created under Section 4.1.

1.2 “Active Participant” means a Participant who, for a particular Plan Year, has a Compensation Deferral Election in effect for the Plan Year.

1.3 “Affiliate” means the Company and any other entity that is, or would be, aggregated and treated as a single employer with the Company under Code sections 414(b) (controlled group of corporations) or 414(c) (a group of trades or businesses, whether or not incorporated, under common control); provided, however, that an ownership threshold of at least 50% shall be used hereunder instead of the 80% minimum ownership threshold that would otherwise apply under such Code sections.

1.4 “Beneficiary” or “Beneficiaries” means the designated person(s) or entity(ies) to receive benefits in the event of death of the Participant in accordance with procedures established by the Committee to receive the benefits specified hereunder. No Beneficiary designation shall become effective until it is filed in accordance with procedures approved by the Committee. If there is no such designation or if there is no surviving designated 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. 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 or primary 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 Gifts to Minors Act or similar statute 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.

1.5 “Board of Directors” or “Board” means the Board of Directors of the Company.

1.6 “Bonus” means any amount of cash Compensation attributable to the Participant during a Plan Year which

is designated by the Company as a bonus payment and payable by the Company or an Employer. The Committee, in its discretion, shall determine whether any particular type or item of Compensation shall be deemed a "Bonus" for purposes of the Plan or another type of Compensation; provided, however, that such discretion may only be exercised during an Election Period preceding a Plan Year when a Bonus is earned.

1.7 "Business Day" means a day during which The Nasdaq Global Select Market is open for trading.

1.8 "Code" means the Internal Revenue Code of 1986, as amended.

1.9 "Committee" means the Committee appointed by the Board to administer the Plan in accordance with Article 7.

1.10 "Company" means Avnet, Inc., a New York corporation, and any successor corporation or entity.

1.11 "Compensation" means a Participant's Incentive Compensation and/or Salary and/or Bonus; provided, however, that, effective with the 2008 Plan Year, Compensation shall not include payments made to a Participant by an Employer in that are in the nature of severance payments.

1.12 "Compensation Deferral Election" means a written or electronic election completed by the Participant to defer the payment of Compensation, subject to the terms and conditions of the Plan and such other rules, procedures and approvals that the Committee shall determine in its sole discretion. Except as otherwise specifically allowed under the Section 409A Rules (as defined below), a Participant's Compensation Deferral Election shall be irrevocable for the corresponding Plan Year and shall automatically carry-forward to future Plan Years unless it is revoked or changed by a Participant during a corresponding Election Period. If a Participant who has a Compensation Deferral Election in effect for the 2008 Plan Year does not have projected Compensation of at least \$150,000 for calendar year 2009, then such election shall cease as of December 31, 2008 with respect to Salary and as of February 28, 2009 with respect to Incentive Compensation. Consistent with the Section 409A Rules, if a Participant receives an unscheduled distribution of Section 409A Covered Benefits due to a Financial Hardship, his or her Compensation Deferral Election shall be cancelled for the remainder of the Plan Year and such a Participant will be precluded from making another Compensation Deferral Election during the Election Period corresponding to the following Plan Year. Thereafter, the Participant's previous Deferral Election shall not apply and the Participant must make a new Deferral Election during the Election Period corresponding to the Plan Year when or she is again eligible to defer Compensation under the Plan.

1.13 "Effective Date" of this Plan generally means January 1, 2009, except as otherwise provided herein. Where a particular Plan provision has an effective date prior to January 1, 2009, the terms of the Prior Plan shall be deemed to be amended accordingly.

1.14 "Election Period" for an Eligible Employee means, with respect to a particular Plan Year, the open enrollment period designated by the Committee that ends no later than the last day of the calendar year (*i.e.*, the December 31st) before the next Plan Year starts.

1.15 "Eligible Employee" means any domestic U.S. domicile employee of an Employer who is part of a select group of management or highly compensated employees that the Committee has determined to be eligible to become a Participant in the Plan and to whom the Plan is extended by the Committee, but excluding any person designated by the Company or an Affiliate as an independent contractor or a leased employee. In addition, effective for Salary earned after December 31, 2008 and Incentive Compensation earned after February 28, 2009, a person is any Eligible Employee only if he or she is projected to earn Compensation of at least \$150,000 from an Employer during a calendar year. Effective for Plan Years starting after December 31, 2011 No individual shall qualify as an Eligible Employee for a Plan Year unless the individual's projected Compensation for such Plan Year is no less than the following amount:

(a) Effective for Plan Years ending before March 1, 2012, for Salary earned after December 31, 2008 and Incentive Compensation earned after February 28, 2009, \$150,000.

(b) Effective for Plan Years starting after December 31, 2011, the limit prescribed by section 401(a)(17) of the Code for the calendar year that ends during the Plan Year.

1.16 “Employer” means the Company and any Affiliate that has adopted the Plan with the consent of the Board or the Committee.

1.17 “Final Section 409A Effective Date” means the date when a rule or requirement under the final regulations issued by the Secretary of the Treasury became effective under Code Section 409A, and shall generally refer to January 1, 2009.

1.18 “Financial Hardship” means an unforeseeable, severe financial emergency resulting from (1) a sudden and unexpected illness or accident of the Participant or his or her dependent (as defined in Section 152(a) of the Code); (2) loss of the Participant’s property due to casualty; or (3) other similar extraordinary and unforeseeable circumstances arising out of an event beyond the control of the Participant, which may not be relieved through other available resources of the Participants, as determined by the Committee in its sole discretion.

Notwithstanding the foregoing, for distributions attributable to Section 409A Covered Benefits, a Financial Hardship must qualify as an “unforeseeable emergency” under the Section 409A Rules relating to the Participant or his or her dependent or designated Beneficiary under the Plan.

1.19 “Fund” or “Funds” means one or more of the investment funds selected by the Committee pursuant to Section 3.2(a) in which a Participant’s Account shall be deemed to be invested.

1.20 “Incentive Compensation” means any cash incentive compensation payable to a Participant by the Company or an Employer in addition to the Participant’s Salary and Bonus prior to reduction for any salary deferral contributions to a plan described under Section 125 or Section 401(k) of the Code.

1.21 “Interest Rate” means, for each Fund, an amount equal to the net rate of gain or loss on the assets of such Fund as of the close of each Business Day, as determined by the Fund (this amount may be a negative number); provided, however, that the Interest Rate for that portion of a Participant’s Account scheduled for a distribution shall mean, for each Fund, an amount equal to the net rate of gain or loss on the assets of such Fund as of the close of the last Business Day of the calendar month before the scheduled distribution date and, if only a partial distribution is being made, the remaining balance of the Participant’s Account shall be adjusted for the Interest Rate effective as of the first Business Day of the following month.

1.22 “Interim Section 409A Effective Date” means the date when a particular provision or rule promulgated under Code Section 409A became effective, and shall generally mean January 1, 2005. The term “Interim Section 409A Period” means the period beginning on or after the Interim Section 409A Effective Date and ending immediately before the Final Section 409A Effective Date.

1.23 “Participant” means any Eligible Employee who becomes a Participant in accordance with Section 2.1.

1.24 “Payment Eligibility Date” means a date as soon as administratively practical during the period beginning on the first Business Day of the month following the date when a Participant incurs a distribution event under the Plan and ending on a date that does not exceed 90 days thereafter (as determined by the Committee). Notwithstanding the foregoing, for distributions of Section 409A Covered Benefits to Participants who are Specified Employees (as defined below) subject to the Six Month Payment Delay Rule (as defined below), the term Payment Eligibility Date means a date as soon as administratively practical during the period beginning on the first Business Day of the seventh full month following the Participant’s separation from service (under the Section 409A Rules) and ending on a date that does not exceed 90 days thereafter (as determined by the Committee). (For the avoidance of doubt, if the 90 day period covers two calendar years, the Participant may not designate the calendar year of the payment).

1.25 “Plan” means this Avnet Deferred Compensation Plan (As Amended and Restated Effective Generally as

of January 1, 2009) set forth herein, now in effect, or as amended from time to time.

1.26 “Plan Year” means: (i) prior to January 1, 2008, the calendar year; (ii) effective January 1, 2008, the 14 month period beginning January 1, 2008 and ending on February 28, 2009; and (iii) thereafter, the 12 month period beginning each March 1st and ending on the last day of the February in the following year.

1.27 “Salary” means the Participant’s base salary payable by the Company or an Employer to a Participant in cash prior to reduction for any salary deferral contributions to a plan qualified under Section 125 or Section 401(k) of the Code. The term “Salary” shall exclude any Bonuses (or other extraordinary compensation-related payments), reimbursements of business, moving and other expenses, any income resulting from stock option exercises, any Incentive Compensation and any distributions from the Plan and/or any other qualified or non-qualified deferred compensation plan. The Committee, in its discretion, shall determine whether any particular type or item of compensation not specifically referred to above shall be deemed “Salary” for purposes of the Plan; provided, however, that such discretion may only be exercised during an Election Period preceding a Plan Year when the Salary is earned..

1.28 “Section 409A Covered Benefits” means that portion of a Participant’s Account attributable to deferrals made on or after the Interim Section 409A Period as adjusted for any earnings or losses attributable thereto and, if applicable, amounts that are deferred before the Interim Section 409A Effective Date that were materially modified within the meaning of the Section 409A Rules.

1.29 “Section 409A Disability” means, with respect to Section 409A Covered Benefits, that a Participant is unable to engage in any substantial gainful activity due to a medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than 12 months, as determined in accordance with the Section 409A Rules.

1.30 “Section 409A Rules” means the terms and provisions of Section 409A of the Code and the general rules and regulations issued thereunder by the Secretary of the Treasury, the Commissioner of the Internal Revenue Service and their respect delegates.

1.31 “Six Month Payment Delay Rule” means the requirement under Code Section 409A that a Specified Employee must delay his or her distribution of Section 409A Covered Benefits from a “nonqualified deferred compensation plan” (within the meaning of the Section 409A Rules) for six (6) months after Separation From Service, but subject to applicable exceptions under the Section 409A Rules for distributions due to death or a Section 409A Disability.

1.32 “Specified Employee” means a Participant who is considered to be a “key employee” under Code Section 416(i) determined in accordance with procedures consistent with the Section 409A Rules. Without limiting the generality of the foregoing, a Participant’s status as a key employee shall be based on each calendar year, beginning with the calendar year preceding the Interim Section 409A Effective Date and, if the Participant is then a key employee, the Participant shall be considered to be a Specified Employee for the 12-month period beginning on the April 1st following the end of the calendar year when he or she was determined to be a key employee.

1.33 “Target Compensation” means, for a Plan Year, a Participant’s Incentive Compensation and Salary.

1.34 “Trust” means the Avnet Deferred Compensation Rabbi Trust, as amended from time to time.

ARTICLE 2 PARTICIPATION

2.1 Participation. Each person who was a "Participant" under the Prior Plan immediately prior to the Effective Date shall continue to be a Participant in the Plan, but subject to the terms and conditions of the Plan. Any other person who is an Eligible Employee shall become a Participant in the Plan by (A) electing to defer a portion of his or her Compensation in accordance with Section 3.1, and/or (B) completing such other forms or agreements that the Committee, in its sole discretion, may require.

If an employee ceases to be an Eligible Employee, then he or she shall no longer be an Active Participant eligible to have a valid Compensation Deferral Election on file with the Committee for future Plan Years until he or she becomes an Eligible Employee again and subsequently reenrolls in the Plan during an Election Period.

ARTICLE 3

DEFERRAL ELECTIONS

3.1 Elections to Defer Compensation.

(a) Election Period. Subject to Section 2.1, each Eligible Employee may elect to defer Compensation by filing with the Committee (or a third party designated by the Committee) a Compensation Deferral Election no later than the last day of the Election Period for the corresponding Plan Year; provided, however, that an Eligible Employee may elect to change his or her Compensation Deferral Election for the 2005 Plan Year by March 15, 2005, but only for Compensation that has not yet been paid as of that date.

(b) General Rule. The amount of Compensation which an Active Participant may elect to defer is as follows:

- (1) Any amount of Salary that is at least 5%, and does not exceed 50%, of his or her Salary; and/or
- (2) Any amount of Incentive Compensation that is at least 10%, and does not exceed 100%, of his or her Incentive Compensation; and/or
- (3) Any amount of Bonus that is at least 10%, and does not exceed 100%, of Bonus provided, however, that no election shall be effective to reduce Compensation that:
 - (i) an Eligible Employee has actually or constructively received; or
 - (ii) would cause an Eligible Employee's Compensation for a calendar year to be an amount which is less than the Social Security taxable wage base for such calendar year.

(c) Coordination With Deferrals to Avnet 401(k) Plan. An Active Participant who makes a valid Compensation deferral election under paragraph (b) above for a Plan Year may also elect, during his or her applicable Election Period, to have certain amounts attributable to pre-tax contributions that would, absent certain limitations under the Code, otherwise be made to the Avnet 401(k) Plan be made or transferred to this Plan. These amounts include refunds attributable to the nondiscrimination tests under Code sections 401(k) or 401(m). Any amounts deferred under the Plan pursuant to this paragraph (c) shall be treated as deferral of Salary for all other purposes of the Plan. Notwithstanding the foregoing, an Active Participant's ability to defer contributions to the Plan attributable to such refunds from the Avnet 401(k) Plan after December 31, 2004 shall be subject to the Section 409A Rules.

(d) Effect of Election. The Compensation Deferral Election shall be effective with respect to Compensation payable during or after the first pay period beginning with the Plan Year following the Election Period.

(e) Duration of Compensation Deferral Election. Any Compensation Deferral Election shall remain in effect, notwithstanding any change in the Participant's Compensation, until changed or terminated in accordance with the terms of paragraph (f). Subject to the preceding requirements, a Participant may increase, decrease or terminate his or her Compensation Deferral Election, effective for Compensation payable during pay periods beginning in the Plan Year beginning after the corresponding Election Period during which the new Compensation Deferral Election is filed with the Committee.

(f) Revocation of Compensation Deferral Election. Except to the extent specifically permitted under the Section 409A Rules, a Participant's Compensation Deferral Election made during an Election Period is irrevocable once that Election Period ends and may not be changed until the following Election Period. Except as otherwise required under the Section 409A Rules, a Participant who is rehired during a Plan Year after incurring a termination of employment with the Company during that Plan Year shall remain subject to the terms of his or her Compensation Deferral Election in place (if any) for that Plan Year. Notwithstanding the foregoing, a Participant who receives a Financial Hardship Withdrawal during a Plan Year pursuant to Section 6.2 shall be deemed to have his or her Compensation Deferral Election revoked for the duration of such Plan Year and shall not be eligible to file a new Compensation Deferral Election with the Committee for the next Plan Year.

(g) Elections other than Elections During the Election Period. A Participant may only file a Compensation Deferral Election during an Election Period. If an individual becomes an Eligible Employee during a Plan Year after the corresponding Election Period has expired, he or she will not be eligible to become a Participant, and accordingly will not be eligible to file a Compensation Deferral Election, until the next following Election Period (with such election to be effective as of the next following Plan Year).

3.2 Investment Elections.

(a) At the time of making the deferral elections described in Section 3.1, the Participant shall designate, in such manner as prescribed by the Committee, the type(s) of investment funds the Participant's Account will be deemed to be invested in for purposes of determining the amount of earnings to be credited to that Account. These investment funds shall be selected by the Committee from time to time, and the Committee may modify, replace or discontinue a particular type or category of investment fund in its sole discretion.

(b) In making the designation pursuant to this Section 3.2, the Participant may specify that all or any whole percentage of his Accounts (of at least 1%) be deemed to be invested in one or more of the types of investment funds available under the Plan from time to time. A Participant may change the designation made under this Section 3.2 by filing a change of election in such manner as specified by the Committee. The change will be effective on the first Business Day following the Business Day when the Participant submits his or her change of investment election (or as soon as practicable thereafter). Notwithstanding the foregoing, no new investment election may be made with respect to amounts in a Participant's Account scheduled for distribution after the second to last Business Day of the month preceding the month in which such distribution is scheduled to be made. If a Participant fails to elect a type of fund under this Section 3.2, he or she shall be deemed to have elected an investment fund that is similar to a money market fund.

(c) The Interest Rate of each such commercially available investment fund or contract shall be used to determine the amount of earnings or losses to be credited to Participants' Accounts under Article 4.

ARTICLE 4

ACCOUNTS

4.1 Deferral Account. The Committee shall establish and maintain a Deferral Account for each Participant under the Plan. Each Participant's Deferral Account shall be further divided into separate subaccounts ("Fund Subaccounts"), each of which corresponds to a investment fund(s) elected by the Participant pursuant to Section 3.2(a). Without limiting the generality of the foregoing, separate Fund Subaccounts shall be maintained for all

Participants attributable to their Compensation deferrals made prior to January 1, 2005 (including those made under the Memec, LLC Executive Deferred Compensation Plan (the "Memec Plan")) and, for those Participants whose benefits were merged into this Plan from the Memec Plan, for amounts deferred under the Memec Plan during the 2005 calendar year. A Participant's Deferral Account shall be credited as follows:

(a) As soon as practicable after the date that Salary being deferred hereunder would otherwise be payable to the Participant, the Committee shall credit the Fund Subaccounts of the Participant's Deferral Account with an amount equal to Salary deferred by the Participant during each pay period in accordance with the Participant's election under Section 3.2(a); that is, the portion of the Participant's deferred Salary that the Participant has elected to be deemed to be invested in a certain type of investment fund shall be credited to the Fund Subaccount corresponding to such fund;

(b) As soon as practicable after the date that Incentive Compensation being deferred hereunder would otherwise be payable to the Participant, the Committee shall credit the Fund Subaccounts of the Participant's Deferral Account with an amount equal to the portion of the Incentive Compensation deferred by the Participant's election under Section 3.2(a); that is, the portion of the Participant's deferred Incentive Compensation that the Participant has elected to be deemed to be invested in a particular type of investment fund shall be credited to the Fund Subaccount corresponding to such fund;

(c) As soon as practicable after the date that Bonus being deferred hereunder would otherwise be payable to the Participant, the Committee shall credit the Fund Subaccounts of the Participant's Deferral Account with an amount equal to the portion of the Bonus money deferred by the Participant's election under Section 3.2(a); that is, the portion of the Participant's deferred Bonus money that the Participant has elected to be deemed to be invested in a particular type of investment fund shall be credited to the Fund Subaccount corresponding to such fund; and

(d) As of the end of each Business Day, each Fund Subaccount of a Participant's Deferral Account shall be credited with earnings or losses in an amount equal to that determined by multiplying the balance credited to such Fund Subaccount as of the end of the preceding Business Day by the Interest Rate for the corresponding investment fund selected by the Committee pursuant to Section 3.2(b).

ARTICLE 5

VESTING

5.1 Deferral Account. Except as provided in Sections 6.4 and 6.5, a Participant's Deferral Account shall be 100% vested at all times.

ARTICLE 6

DISTRIBUTIONS

6.1 Distribution of Deferred Compensation

(a) General Distribution Rules. In the case of a Participant who is no longer employed by the Company or an Affiliate and who either (i) terminates employment as a result of a long-term disability (as defined in the Company's long-term disability plan), or (ii) who has at least five (5) years of service with the Company or an Affiliate, the Participant's Account shall be paid to the Participant in the form of substantially equal annual periodic payments over 15 years beginning on his or her Payment Eligibility Date. However, except as indicated below with respect to Section 409A Covered Benefits, a Participant described in the preceding sentence may elect one of the following optional forms of distribution provided, that, if the distribution relates to clause (ii) above, his or her election is filed with the Committee at least one year prior to his or her termination of employment:

- (1) a cash lump sum payable on the Participant's Payment Eligibility Date, and
- (2) substantially equal annual periodic payments over five or ten years beginning on the Participant's Payment Eligibility Date.

Distributions attributable to a Participant's Fund Subaccount relating to the merger of the Memec Plan into this Plan shall be based on the distribution form or forms applicable to such Participant under the Memec Plan prior to such merger.

(b) Plan Year Distribution Elections for Section 409A Covered Benefits. Notwithstanding the foregoing, for distributions attributable to Section 409A Covered Benefits, a Participant's ability to select a distribution option under clauses (1) or (2) above shall be determined in accordance with Section 409A Rules. Without limiting the generality of the foregoing, a Participant could select a distribution option under (1) or (2) above during an Election Period for deferrals (and earnings) made during the corresponding Plan Years beginning on or after the Interim Section 409A Effective Date and such distribution election shall apply to deferrals made in future Plan Years unless and until the Participant makes a new, prospective distribution election for deferrals made in future Plan Years during the corresponding Election Period.

(c) Changing Distribution Elections for Section 409A Covered Benefits. If a Participant wants to change a distribution election for Section 409A Covered Benefits, the change will only be effective if it is made at least 12 months in advance of the scheduled payment date, the change to such distribution election option does not take effect until at least 12 months after the date on which the election is made, the first payment with respect to which such election is made is deferred for at least five years from the date the payment would otherwise have been made and, except as allowed under the Section 409A Rules, the distribution election change does not permit the acceleration of the time or schedule of any payment under the Plan. However, the foregoing restrictions shall not apply to any distribution election change for Section 409A Covered Benefits if: (i) the Participant submits a new distribution election by December 1, 2008 and (ii) any such distribution election change does not result in a distribution being postponed for the calendar year in which the distribution change is filed. A Participant may change a distribution election made for Section 409A Covered Benefits only once after December 1, 2008.

(d) Mandatory Lump Sum Distributions. Notwithstanding the foregoing provisions of this Article 6 or the terms of a Participant's distribution election: (i) if the Participant's Account is \$50,000 or less at his or her termination of employment (or, with respect to Section 409A Covered Benefits payable by reason of a Section 409A Disability, at his or her Payment Eligibility Date, as defined in subsection (g), below), the Participant's Account shall automatically be distributed in the form of a cash lump sum on the Participant's Payment Eligibility Date; (ii) all payments made to a Beneficiary shall be in the form of a cash lump sum payment that is made no later than the 90 days after the Participant's date of death (as determined by the Committee and, for the avoidance of doubt, if the 90 day period covers two calendar years, the Beneficiary may not designate the calendar year of the payment) even if periodic payments began before the Participant's death; and (iii) subject to the disability provisions of Section 6.1(a) and (g), if a Participant terminates employment prior to completing at least five (5) years of service with the Company or an Affiliate, the Participant's distribution shall be in the form of a cash lump sum on the Participant's Payment Eligibility Date.

(e) Installment Distributions and Fund Accounts. Distributions made in installment payments will be deemed to be made on a pro rata basis from each Fund Subaccount in which a Participant's Account is deemed to be invested in pursuant to Section 3.2. The Participant's Account shall continue to be adjusted for Interest in accordance with the applicable provision of Article 4 of the Plan up until the last Business Day of the month preceding each installment distribution.

(f) Termination of Employment. For all purposes under this Plan, a Participant shall not be considered terminated from employment if the Participant remains employed by the Company or an Affiliate, even if employees of such Affiliate are not Eligible Employees. However, if the Participant is employed by the Company or an Affiliate and ceases to be such as a result of a sale or other corporate reorganization, such sale or

reorganization shall be treated as termination of employment unless immediately following such event and without any break in employment the Participant remains employed by Company or another Affiliate or the former Affiliate assumes all liability for the Participant's benefits under the Plan. Notwithstanding the foregoing, for distributions attributable to Section 409A Covered Benefits, the determination of whether a Participant has terminated employment shall be consistent with the concept of "separation from service," as that term is used under Section 409A Rules.

(g) Disability. With respect to Section 409A Covered Benefits, the provisions of Section 6.1(a) that relate to a "long-term disability" apply only in the event of a Section 409A Disability. The Payment Eligibility Date for a Participant who is "no longer employed" because he "terminates employment as a result of a long-term disability," within the meaning of clause (i) of Section 6.1(a), is the first anniversary of the Participant's commencement of short-term disability benefits by reason of a Section 409A Disability, without regard to whether or when the Participant's employment with the Company and Affiliates terminates. In the event of a Section 409A Disability, subject to subsection (d) (Mandatory Lump Sum Distributions), above, the Participant's Section 409A Covered Benefit shall be paid in the form elected by the Participant under Section 6.1(b) (or, if the Participant has not made an election under Section 6.1(b), in annual installments over 15 years). In accordance with Section 6.1(a), if a Participant's Account is distributed because of a Section 409A Disability, the Participant is not required to satisfy the five (5) years of service condition to receive his distribution in installments.

6.2 Financial Hardship Withdrawals. Participant shall be permitted to elect to withdraw amounts from their Accounts prior to termination of employment with the Company or an Affiliate due to a Financial Hardship subject to the following restrictions:

(a) The election to take a Financial Hardship distribution shall be made by filing an application with, and in such manner as approved by, the Committee prior to the end of any calendar month.

(b) The Committee determines, in its sole discretion, that the Participant has incurred a Financial Hardship.

(c) The amount of the Financial Hardship distribution shall, in all cases, not exceed the amount necessary to satisfy the Financial Hardship (after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets unless any such liquidation would itself cause a Financial Hardship) plus any taxes reasonably anticipated as a result of such distribution.

(d) The amount described in subsection (c) above shall be paid in a single cash lump sum as soon as practicable after the end of the calendar month in which the Committee approves the Financial Hardship distribution application.

(e) To the extent permissible under Section 409A of the Code and the rules and regulations issued thereunder, if a Participant receives a Financial Hardship Distribution, his or her Compensation deferrals shall be cancelled for the balance of that Plan Year and one full Plan Year or such other period as may be required under the Section 409A Rules.

6.3 Unscheduled In-Service Withdrawal. Notwithstanding anything in this Plan to the contrary, for amounts attributable to deferrals made under the Plan prior to the Interim Section 409A Effective Date that are not Section 409A Covered Benefits, a Participant may request to withdraw of all or a portion of the balance of his Account (other than any Section 409A Covered Benefits) by filing a request with, and in such manner as approved by, the Committee. The withdrawal will be deemed to be made from the deferrals for the year or years whose deferred distribution date is closest to the date of the withdrawal and the Committee, in its sole discretion, shall determine which of the Fund Subaccounts will be charged for the withdrawal. This request may be granted, solely in the absolute discretion of the Committee; provided, however, if the Committee grants a withdrawal request, the Participant will not be able to make Compensation deferrals during the next full Plan Year. The amount of the

withdrawal under this section will be subject to a ten percent (10%) forfeiture. Such amount will be forfeited to the Company.

6.4 Scheduled Early Distributions. Participants may elect to receive payments of Compensation deferred during a given Plan Year to be made on a future designated payment date while still employed by filing a written election with the Committee during the Election Period corresponding to such Plan Year, provided the payment date is at least three plan years from the date that the Compensation Deferral Election applicable to such Plan Year is received by the Committee. A Participant may change his or her payment date consistent with the rules in Section 6.1(a) and (c) (as applicable) and, after December 1, 2008, may make only one irrevocable election to postpone such payment date (and may only make one election to postpone such a payment. Payment under this Section will be made in a lump sum. This election shall apply to the Compensation deferred for the Plan Year specified by the Participant on his or her payment election and the earnings credited thereto until the payment date. A distribution pursuant to this Section 6.4 of less than the Participant's entire interest in the Plan shall be made pro rata from his or her Fund Subaccounts according to the balances in such Subaccounts. Notwithstanding the foregoing, if a Participant terminates employment with the Company for any reason prior to the date on which a payment is scheduled to be made pursuant to this Section 6.4, the Participant's entire Account balance will be paid pursuant to the provisions of Section 6.1.

6.5 Inability to Locate Participant. In the event that the Committee is unable to locate a Participant or Beneficiary within two years following the Participant's Payment Eligibility Date, the amount allocated to the Participant's Deferral Account and Company Contribution Amounts shall be forfeited. If, after such forfeiture, the Participant or Beneficiary later claims such benefit prior to the expiration of a ten year period, such benefit shall be reinstated without interest or earnings.

6.6 Trust.

(a) The Company may cause the payment of benefits under this Plan to be made in whole or in part by the Trustee of the Trust (the "Trustee") in accordance with the provisions of this Section 6.6. The Company shall contribute to the Trust for each Participant an amount equal to the amount deferred by the Participant for the Plan Year except to the extent that the Company determines that the Trust otherwise has sufficient assets to provide allocations to Participants' Accounts. Contributions required shall be made no less frequently than on a monthly basis.

(b) The Committee shall direct the Trustee to pay the Participant or his Beneficiary at the time and in the amount described in Article 6. In the event the amounts held under the Trust are not sufficient to provide the full amount payable to the Participant, the Company shall pay for the remainder of such amount at the time set forth in Article 6. In the event that the Company makes a distribution to a Participant from Company assets, the Company may, in its discretion, cause the Trust to reimburse the Company.

(c) Solely with respect to assets transferred to, or reserved under, the Trust after August 17, 2006 (the "Restriction Period Assets") for a Participant who is also is an Applicable Covered Employee (as defined below), the Company may direct that Compensation deferred hereunder will not be held in the Trust by making a good faith determination that a Restriction Period (as defined below) is reasonably expected to occur at any time during the next nine months following the date when it provides at least 15 days advanced written notice to the Participant of such determination. The Company may direct the Trustee to transfer any Restriction Period Assets in the Trust back to the Company within 15 days following the end of the Company's 15 day advanced notification period. Thereafter, the payment obligations to the Participant hereunder attributable to the Restriction Period Assets shall no longer be an obligation of the Trust, but shall remain an obligation of the Company which shall assume all of the duties and responsibilities of the Trust hereunder with respect to such assets. As determined in accordance with section 409A(b)(3) of the Code and applicable Treasury regulations, a Restriction Period means, with respect to any single-employer defined benefit pension plan maintained by an Employer, one of the following:

- (1) Any period during which such a plan is in at-risk status under section 430(i) of the Code;
- (2) Any period during which an Employer that is a plan sponsor of such a plan is a debtor in a case under Title 11 of the United States Code, or similar Federal or state law; or
- (3) The 12-month period beginning on the date which is six months before the termination date of such a plan if, as of the termination date, the plan's assets are not sufficient to cover all of the plan's benefit liabilities (as determined under section 4041 of the ERISA .

As determined under section 409(A)(b)(3)(D) and applicable Treasury regulations, a Participant is an Applicable Covered Employee if he or she is an employee of an Employer described in section 162(m)(3) of the Code or subject to the requirements of section 16(a) of the Exchange Act or was such an employee at the time of termination of employment with an Employer.

ARTICLE 7 ADMINISTRATION

7.1 Committee. A Committee shall be appointed by, and serve at the pleasure of, the Board of Directors. The number of members comprising the Committee shall be determined by the Board which may, from time to time, vary the number of members. A member of the Committee may resign by delivering a written notice of resignation to the Board. The Board may remove any member by delivering a certified copy of its resolution of removal to such member. Upon his or her termination of employment with the Company, a person shall automatically cease being a Committee member. Vacancies in the membership of the Committee shall be filled promptly by the Board.

7.2 Committee Action. The Committee shall act at meetings by affirmative vote of a majority of the members of the Committee. Any action permitted to be taken at a meeting may be taken without a meeting if, prior to such action, a written consent to the action is signed by all members of the Committee and such written consent is filed with the minutes of the proceedings of the Committee. A member of the Committee shall not vote or act upon any matter which relates solely to himself or herself as a Participant. The Chairman or any other member or members of the Committee designated by the Chairman may execute any certificate or other written direction on behalf of the Committee. Notwithstanding the foregoing, the Committee may delegate specific functions or duties to a specific Committee member or members.

7.3 Powers and Duties of the Committee.

(a) 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 necessary to accomplish its purposes, including, but not by way of limitation, the following:

- (1) To select the funds or contracts to be the Funds in accordance with Section 3.2;
 - (2) To construe and interpret the terms and provisions of this Plan and to remedy any ambiguities, omissions or inconsistencies contained therein;
 - (3) To compute and certify to the amount and kind of benefits payable to Participants and their Beneficiaries;
 - (4) To maintain all records that may be necessary for the administration of the Plan;
 - (5) To provide for the disclosure of all information and the filing or provision of all reports and
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statements to Participants, Beneficiaries or governmental agencies as shall be required by law;

(6) To promulgate, administer and enforce such rules for the regulation of the Plan and procedures for the administration of the Plan as are not inconsistent with the terms hereof;

(7) To appoint a plan administrator or any other agent, and to delegate to them such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe; and

(8) To take all actions set forth in the Trust agreement, including determining whether to hold or discontinue the Policies.

7.4 Construction and Interpretation. The Committee shall have full discretion to construe and interpret the terms and provisions of this Plan, which interpretation or construction shall be final and binding on all parties, including, but not limited to, an Affiliate or any Participant or Beneficiary. The Committee shall administer such terms and provisions of the Plan in accordance with any and all laws applicable to the Plan.

7.5 Information. To enable the Committee to perform its functions, the Company shall supply full and timely information to the Committee on all matters relating to the Compensation of all Participants, their death or other cause of termination, and such other pertinent facts as the Committee may require.

7.6 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, to the extent that the Committee does not authorize payment from the Trust.

(c) To the extent permitted by applicable law, the Company shall indemnify and save 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 applicable law.

7.7 Quarterly Statements. Under procedures established by the Committee, a Participant shall have online access to a statement summarizing such Participant's Accounts on a quarterly basis as soon as practicable after each March 31, June 30, September 30 and December 31 of each year.

7.8 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 Agreement (hereinafter referred to as "Claimant") may file a written request for such benefit with the Committee, setting forth his or her claim.

(b) Claim Decision. Upon receipt of a claim, the Committee shall advise the Claimant that a reply will be forthcoming within ninety (90) days and shall, in fact, deliver such reply within such period. The Committee may, however, extend the reply period for an additional ninety (90) days for special circumstances.

If the claim is denied in whole or in part, the Committee shall inform the Claimant in writing, using

language calculated to be understood by the Claimant, setting forth: (1) the specified reason or reasons for such denial; (2) the specific reference to pertinent provisions of the Plan or Plan rules on which such denial is based; (3) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation why such material or such information is necessary; (4) appropriate information as to the steps to be taken if the Claimant wishes to submit the claim for review; and (5) 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 Company review the determination of the Committee. Such request must be addressed to the Secretary 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 Company. 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 Company's receipt of a request for review, after considering all materials presented by the Claimant, the Company will inform the Participant in writing, in a manner calculated to be understood by the Claimant, of its decision setting forth the specific reasons for the decision and containing specific references to the pertinent provisions of the Plan or Plan rules on which the decision is based. If special circumstances require that the sixty (60) day time period be extended, the Company will so notify the Claimant 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.

(e) Limitation on Bringing a Legal Action. A legal action relating to a claim or right to benefits under the Plan may be brought by, or on behalf of, a Participant, Beneficiary or other person claiming benefits under the Plan only during a certain period. This period begins after the appeal process has ended under Section 3(c) above and ends 120 days thereafter. However, in no event may a legal action be brought later than one (1) year after the earlier of the date when the Participant, Beneficiary or other person: (i) knows (or should have known) of the existence of, or the underlying facts allegedly supporting the claim or right which is the basis of his or her claim or assertion for benefits or payments under, or relating to, the Plan or (ii) receives a lump sum distribution under the Plan; provided, however, that, if the formal claim or appeal is pending under paragraph (b) or (c) above at the end of the one (1) year period, then such 120-day limitation rule shall apply.

Notwithstanding the foregoing, if a Claimant files a claim within 90 days after the latest date on which a payment could be made to him or her under the Plan and the Section 409A Rules, and the claim or appeal has not been resolved favorable to the Claimant by the 160th day after such latest date, the Claimant may take further enforcement measures to collect payments which the Claimant asserts are owed to him or her under the Plan; provided, however, that, if such action is not taken within 180 days after such latest date, the Claimant's action will not be presumed to be prompt under the Section 409A Rules and this paragraph shall not apply.

ARTICLE 8

MISCELLANEOUS

8.1 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. No assets of the Company shall be held under any trust (other than the Trust), or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Except as provided in the Trust, any and all of the Company's assets relating to the Plan shall be, and remain, the general unpledged, unrestricted assets of the Company. 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 (and the Trust) be unfunded for purposes of the Code and for purposes of Title I of ERISA.

8.2 Restriction Against Assignment. The Company or the Trustee 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. Except as may be required by a valid qualified domestic relations order under ERISA, a Participant's Accounts shall not be subject to execution by levy, attachment, or garnishment or by any other legal or equitable proceeding. A Participant or Beneficiary shall not 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 is consistent with applicable law provided, however, that payments of a Participant's Section 409A Covered Benefits shall not cease if the Participant or Beneficiary has already incurred a Payment Eligibility Date.

8.3 Withholding. There shall be deducted from each payment made under the Plan or Trust or any other Compensation payable to the Participant (or Beneficiary) all taxes which are required to be withheld by the Company in respect to such payment or this Plan. The Company shall have the right to reduce any payment (or Compensation) by the amount of cash sufficient to provide the amount of said taxes.

8.4 Amendment, Modification, Suspension or Termination. The Board of Directors may amend, modify, suspend or terminate the Plan in whole or in part by adopting a written instrument, except that no amendment, modification, suspension or termination shall have any retroactive effect to reduce any amounts allocated to a Participant's Deferral Account (the Policies themselves shall not be treated as allocated to Deferral Accounts). In addition, the Committee has the right to amend Sections 3.2 and any other Plan provision (subject to the limitation in the preceding sentence) as long as any such amendment does not have a material increase in the costs incurred by the Company in connection with the Plan. In the event that this Plan is terminated, the amounts allocated to a Participant's Accounts (regardless of whether such amounts had become vested) shall be distributed to the Participant or, in the event of his or her death, his or her Beneficiary in a lump sum as soon as practicable following the date of termination; provided, however, that the foregoing shall apply to only to the extent permissible under the Section 409A Rules for Section 409A Covered Benefits.

8.5 Governing Law. This Plan shall be construed, governed and administered in accordance with the laws of the State of Arizona, without regard to its conflict of law provisions and except to the extent that its laws are preempted by the laws of the United States of America and the Section 409A Rules.

8.6 Receipt or Release. Any payment to a Participant or the Participant's Beneficiary in accordance with the provisions of the Plan shall, to the extent thereof, be in full satisfaction of all claims against the Committee and the Company. The Committee may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect.

8.7 Notices. All notices or other communications by a Participant to the Company in connection with the Plan shall be deemed to have been duly given when received by the Secretary of the Company or by any other person designated by the Company for the receipt of such notices or other communications, in the manner and at the location specified by the Company.

8.8 Headings and Gender. The headings to sections in the Plan have been included for convenience of reference only. The masculine pronoun shall include the feminine and the singular the plural, whenever appropriate. Except as otherwise expressly indicated, all references to sections in the Plan shall be to sections of the Plan.

8.9 Plan Not A Contract of Employment. The Plan does not constitute a contract of employment and participation in the Plan does not give any Eligible Employee or Participant the right to be retained in the employ of the Company or an Affiliate nor give any person a right or claim to any benefit under the Plan, unless such

right or claim has specifically accrued under the terms of the Plan.

8.10 Construed as a Whole. The provisions of the Plan shall be construed as a whole in such manner as to carry out the provisions thereof and shall not be construed separately without relation to the context.

8.11 Severability. If any provision of this Plan unrelated to its status under Title I of ERISA as an unfunded plan maintained for a select group of management or highly compensated employees is held to be invalid or unenforceable by a court of competent jurisdiction, such holding shall not impact the validity or enforceability of the remaining provisions of the Plan.

**AVNET, INC. DEFERRED
COMPENSATION PLAN FOR OUTSIDE DIRECTORS
(As Amended and Restated Effective as of May 8, 2018)**

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**AVNET, INC. DEFERRED
COMPENSATION PLAN FOR OUTSIDE DIRECTORS**

(As Amended and Restated Effective as of May 8, 2018)

1. Purpose, History and Effective Date

The purpose of this Plan is to provide Eligible Directors of Avnet, Inc., a New York corporation (the "Corporation"), with an opportunity to defer payment of certain portions of their Compensation (as defined herein), at their election, in accordance with the provisions hereof, as may be amended from time to time. This version of the Plan, as amended and restated, amends and restates prior versions of the Plan document known as the Avnet, Inc. Deferred Compensation Plan for Outside Directors, Amended and Restated as of January 1, 2004 (the Prior Plan) and Amended and Restated as of January 1, 2009, which was intended to comply with final regulations issued under Code section 409A effective as of January 1, 2009 (the "Final 409A Effective Date").

The Plan is not (and the Prior Plan was not) extended to any Employee (as defined herein). If an Employee becomes an Eligible Director, then only benefits attributable to his or her service as an Eligible Director shall be covered by the Plan. No benefits attributable to an individual's service as an Employee shall be provided under the Plan. Accordingly, no Participant (as defined herein) will be a Specified Employee under the Section 409A Rules (as defined here) and, therefore, the six month payment delay that applies to Specified Employees under the Section 409A Rules shall not apply under the Plan.

From the period beginning January 1, 2005 through the December 31, 2008 (the "Interim 409A Period"), the Plan was operated in accordance with a good-faith interpretation of Code section 409A. At no time during, or after, the Interim 409A Period were benefits deferred under the Prior Plan before the Interim 409A Period changed in such a manner as to cause a material modification of such benefits within the meaning of the Section 409A Rules. Moreover, all benefits deferred under the Prior Plan were at all times fully vested. Accordingly, benefits which were deferred under the Prior Plan before the Interim 409A Period and the earnings attributable thereto, are not subject to Code section 409A.

The Plan (and to the extent necessary the Prior Plan) shall be interpreted and construed so that benefits deferred under the Prior Plan or this Plan on and after the Interim 409A Period comply with the Section 409A Rules. The Plan shall also be interpreted and construed so that benefits deferred under the Prior Plan before the Interim 409A Period are not subject to the Section 409A Rules. Any provision of the Plan that is found to be inconsistent with the foregoing shall be deemed to be severable from the terms of the Plan and shall have no force or effect.

2. Definitions

As used herein, the following terms shall have the following meanings:

(a) "**Account**" shall mean the Account (and sub-accounts) established for a Participant pursuant to Section 4.

(b) "**Average Market Value**" shall mean, with respect to one share of Common Stock on any date, the average of the mean between the daily per-share high and low sale prices for shares of Common Stock on The Nasdaq Global Select Market ("Nasdaq") for the period of five trading days ending on such date, or for the period of five trading days immediately preceding such date if the Nasdaq is closed on such date.

(c) "**Beneficiary**" shall mean the person or persons designated by a Participant in accordance with Section 9 to receive any amount, or any shares of Common Stock, payable under the Plan by reason of his or her death.

(d) "**Board of Directors**" shall mean the Board of Directors of the Corporation.

(e) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(f) "**Committee**" shall mean the persons appointed by the Board of Directors to administer the Plan in accordance with Section 12.

(g) "**Common Stock**" shall mean shares of common stock of the Corporation; provided, however, that, if there is either a Pre-Section 409A Change in Control or a Post-Section 409A Change in Control (both as defined in Section 8 hereof)

resulting in shareholders of the Corporation receiving equity securities issued by another corporation or entity, the term “Common Stock” shall mean such securities.

(h) “**Compensation**” shall mean, with respect to any Eligible Director for any Plan Year beginning on or after January 1, 2004, all fees payable to such Director during such Plan Year by way of retainer for service as a member of the Board of Directors or any committees thereof, including any such fees otherwise payable in the form of Common Stock (including restricted shares of Common Stock), but shall not include meeting fees (regardless of the form of payment). The Plan does not provide for the deferral of any payments to an Eligible Director that constitutes “performance based compensation” under the Section 409A Rules.

(i) “**Corporation**” shall mean Avnet, Inc., a New York corporation and its successor and assigns.

(j) “**Director**” shall mean a member of the Board of Directors.

(k) “**Eligible Director**” shall mean, for any Plan Year, any Director who is not an Employee at the beginning of the Plan Year.

(l) “**Employee**” shall mean any person who is a common law employee of an Employer under the Section 409A Rules, but does not mean any person who is an Eligible Director or classified by the Corporation as an independent contractor.

(m) “**Employer**” means the Corporation and any other entity that is, or would be, aggregated and treated as a single employer with the Corporation under Code sections 414(b) (controlled group of corporations) or 414(c) (a group of trades or businesses, whether or not incorporated, under common control); provided, however, that an ownership threshold of at least 50% shall be used hereunder instead of the 80% minimum ownership threshold that would otherwise apply under such Code sections.

(n) “**Final 409A Effective Date**” shall have the meaning given to it in Section 1 hereof.

(o) “**Interim 409A Period**” shall have the meaning given to it in Section 1 hereof.

(p) “**Participant**” shall mean any Eligible Director who has made an election under Section 3 to defer any portion of his or her Compensation for any Plan Year.

(q) “**Phantom Share Unit**” or “**PSU**” shall mean a unit of measurement equivalent to one share of Common Stock, with none of the attendant rights of a holder of such share, including, without limitation, the right to vote such share and the right to receive dividends thereon, except to the extent otherwise specifically provided herein.

(r) “**Plan**” shall mean this Avnet, Inc. Deferred Compensation Plan for Outside Directors (As Amended and Restated Effective Generally as of January 1, 2009), as set forth herein and as amended from time to time.

(s) “**Plan Year**” shall mean the calendar year.

(t) “**Prior Plan**” shall have the meaning given to it in Section 1 hereof.

(u) “**Section 409A Rules**” shall mean the provisions of Code section 409A and any interpretive or regulatory guidance of general application issued thereunder by the Secretary of the Treasury, the Commissioner of the Internal Revenue Service or their delegates.

(v) “**Separation From Service**” shall mean that a Participant has ceased performing services for the Employers both as a Director and an independent contractor in a manner, and to the extent, consistent with the Section 409A Rules. If a Participant is also, or subsequently becomes, an Employee of the Corporation, his or her service as an Employee shall be excluded for purposes of determining whether the Participant has incurred a Separation From Service under this Plan as a Director to the extent provided under the Section 409A Rules.

(w) “**Unforeseeable Emergency**” shall mean a severe financial hardship of the Participant resulting from (i) an illness or accident of the Participant, the Participant’s spouse, the Participant’s Beneficiary or the Participant’s dependent (as defined in Code Section 152 without regard to paragraphs (b)(1), (b)(2) and (d)(1)(b) thereof), (ii) a loss of the Participant’s property due to casualty, or (iii) such other similar extraordinary and unforeseeable circumstances arising as a result of events beyond

the control of the Participant, all as determined by the Committee based on the relevant facts and circumstances and consistent with the Section 409A Rules.

3. Deferral Elections

With respect to each Plan Year, an Eligible Director may elect to have payment of any part or all of his or her Compensation for such year deferred, and to have payment of such portion made under the terms of the Plan. Any such election shall be made in accordance with the following rules:

(a) Written Form: Specified Percentages. A deferral election shall be made in writing, on a form provided by the Committee for such purpose. In the election form, the Eligible Director (i) shall specify, by percentage (which must be an even multiple of 10%), the portion of his or her Compensation the Eligible Director wishes to defer hereunder (amounts so deferred are hereinafter referred to as the "Deferred Amounts"), and (ii) shall specify, by percentage (which must be an even multiple of 10%), the portions of the Eligible Director's Deferred Amounts that he or she wishes to have allocated, respectively, to the PSU Portion (as defined herein) and to the Cash Portion (as defined herein) of the Account established for the Eligible Director pursuant to Section 4.

(b) Filing Deadline. An Eligible Director's election to defer Compensation for any Plan Year shall be filed in writing with the Committee no later than November 30 of the preceding Plan Year when the Eligible Director's Compensation subject to the deferral election is earned; provided, however, that the Committee may, in its discretion, extend this filing period to a date that is no later than the last business day in December of such preceding Plan Year.

(c) Special Procedure for First Time Eligible Director. Notwithstanding the provisions of paragraph (b) above, an individual who first becomes an Eligible Director during a Plan Year may make a deferral election hereunder with respect to his or her Compensation for such Plan Year by filing his or her election form with the Committee no later than 30 days after the date on which he or she first became an Eligible Director. Any deferral election so made shall be effective only with respect to Compensation earned for services performed after the date on which such election has been filed with the Committee. For purposes of this paragraph (c), when an individual first becomes an Eligible Director shall be determined under the plan aggregation rules under the Section 409A Rules. For the avoidance of doubt, an individual who participated in a deferred compensation plan or arrangement with an Employer as an independent contractor in the same year when he or she first becomes an Eligible Director is not eligible for the special 30 day enrollment provision under this paragraph (c) if such other plan or arrangement would be combined with this Plan under the plan aggregation rules pursuant to the Section 409A Rules.

(d) Irrevocable Status of Election: Carry-Forward to Next Plan Year. Any deferral election made by an Eligible Director with respect to his or her Compensation for a Plan Year, and any election made hereunder as to the allocation of the Deferred Amounts for such year to the PSU Portion and the Cash Portion of his or her Account, shall be irrevocable for the Plan Year except to the extent specifically permitted under the Section 409A Rules. A Participant's election made under this Section 3 for a Plan Year shall automatically carry-forward to the next Plan Year unless it is changed or revoked by the Participant prior to the beginning of the next Plan Year.

(e) Allocations of Deferred Amounts Relating to Common Stock. Except as otherwise specifically provided under the Plan, any Compensation otherwise payable in the form of Common Stock (including shares of restricted Common Stock) and deferred hereunder as Deferred Amounts shall be allocated solely to the PSU Portion of the Participant's Account, and shall not be eligible for the Cash Portion of such Eligible Director's Account.

4. Accounts

For each Participant, there shall be established on the books and records of the Corporation, for bookkeeping purposes only, a separate Account to reflect the Participant's interest under the Plan. The Account so established shall be maintained in accordance with the following provisions:

(a) Accounts and Sub-accounts. The Account established for each Participant shall consist of two sub-accounts referred to herein, respectively, as the "PSU Portion" and the "Cash Portion". Each of such sub-account shall be further divided into additional sub-accounts reflecting Deferred Amounts under the Plan before, and on and after, the Interim 409A Period.

(b) Crediting of Accounts. The PSU Portion and the Cash Portion of each Participant's Account shall be credited with amounts equal to the portions of the Participant's Deferred Amounts for each Plan Year that the Participant has elected under

Section 3 hereof to have allocated to such Portions. Such amounts shall be so credited as of the date on which the amounts in question would have been paid to the Participant had the Participant not elected to have payment of such amounts deferred.

(c) Adjustments to Accounts. The PSU Portion and the Cash Portion of a Participant's Account shall be adjusted from time to time to reflect all additional PSUs and interest to be credited to such Portions pursuant to Section 6, and all payments made with respect to such Portions pursuant to Section 8.

(d) Impact of Certain Change in Control Events on PSU Portion. If there is a Pre-Section 409A Change in Control or a Post-Section 409A Change in Control resulting in all (or substantially all shareholders) of the Corporation receiving cash payments for their Common Stock, then a Participant's PSU Portion shall automatically be converted to a Cash Portion based on the number of PSUs standing to the Participant's credit on the cash payment date to shareholders multiplied by the per share price paid (in cash and/or other consideration other than equity securities) to shareholders generally for each share of Common Stock.

(e) Accounts are Fully Vested. A Participant's interest in his or her Account shall be fully vested and nonforfeitable at all times.

5. Conversion to PSUs

Amounts credited to the PSU Portion of a Participant's Account pursuant to paragraph (c) of Section 4 shall be converted into (and after such conversion shall be reflected in such Portion as) a number of Phantom Share Units. Such number shall be determined by dividing the amount so credited by the Average Market Value of one share of Common Stock on the date as of which the amount is so credited.

6. Crediting of Earnings

Until payment with respect to a Participant's Account has been made in full in accordance with Section 8, the PSU Portion of a Participant's Account shall be credited with additional PSUs and the Cash Portion of the Participant's Account shall be credited with interest, in accordance with the following provisions:

(a) Crediting Earnings to PSU Portion. As of each date on which the Corporation pays a dividend on its Common Stock ("Dividend Payment Date"), the PSU Portion of each Participant's Account shall be credited with additional PSUs, the number of which shall be determined by: (i) first multiplying the number of PSUs standing to the Participant's credit on the record date for such dividend by the per-share amount of the dividend so paid, and (ii) second dividing the resulting amount by the Average Market Value of one share of Common Stock on the Dividend Payment Date.

(b) Crediting Earnings to Cash Portion. As of the last day of each calendar month, the balance of the Cash Portion of a Participant's Account shall be credited with an amount determined by multiplying such balance by a percentage corresponding to the rate of interest on U.S. Treasury 10-year Notes on the first day of such calendar month.

7. Adjustment of PSUs

In the event of any change in the Common Stock occurring by reason of any stock dividend, recapitalization, reorganization, merger, consolidation, split-up, combination or exchange of shares, or any rights offering to purchase such shares at a price substantially below fair market value, or any similar change affecting the Common Stock, the number and kind of shares represented by Phantom Share Units shall be appropriately adjusted consistent with such change in such manner as the Committee, in its sole discretion, may deem equitable to prevent substantial dilution or enlargement of the rights granted to, or available for, the Participants hereunder. The Committee shall give notice to each Participant of any adjustment made pursuant to this Section 7 and, upon such notice, such adjustment shall be effective and binding for all purposes of the Plan.

8. Payment of Account Balances

Payment with respect to a Participant's Account shall be made in accordance with the following provisions:

(a) General Distribution Procedures. The balances of the PSU Portion and the Cash Portion of a Participant's Account shall become payable upon the Participant's ceasing to be a member of the Board of Directors for any reason; provided, however, that distributions attributable to Deferred Amounts made on or after the Interim Section 409A Period shall be

postponed until after the date when the Participant has incurred a Separation From Service. Except as otherwise provided in paragraph (b) below, payment with respect to a Participant's Account shall be made in the form of a series of 10 annual installments.

(b) Optional Distribution Elections. In lieu of the payment form specified in paragraph (a) above, a Participant may elect to have the balances of the PSU Portion and the Cash Portion of his or her Account paid in the form of a single lump-sum payment, or in such number of annual installments, not to exceed 10, as the Participant specifies in such election in accordance with the provisions of this paragraph (b). Any such election shall be made in writing, on a form that has been furnished by the Committee to the Participant for such purpose and that is filed by the Participant with the Committee. For purposes of the Section 409A Rules, the annual installment payment option shall be treated as a single payment.

(i) Payment Elections for Deferred Amounts Made Prior to the Interim 409A Period. For Deferred Amounts attributable to Compensation earned before the Interim 409A Period only, any such election shall be effective only if it has been filed with the Committee at least 24 months prior to the date on which the Participant ceases to be a Director. A Participant may revoke any election so made, and make a new election hereunder, provided that such revocation or new election is filed with the Committee at least 24 months prior to the date on which the Participant ceases to be a Director. Any such revocation or new election shall be made in writing, on a form furnished by the Committee to the Participant for such purpose.

(ii) Payment Elections for Deferred Amounts Made on and After the Interim 409A Period. For Deferred Amounts attributable to Compensation earned on or after the Interim 409A Period, any such election shall, except as provided below, be effective only if it has been filed with the Committee no later than the last day of the Plan Year before the Plan Year when the Compensation corresponding to the Deferred Amounts is earned. A Participant may file separate distribution elections for each Plan Year's Deferred Amounts made on or after the Interim 409A Period. Payment elections for Deferred Amounts subject to this subparagraph (ii) may only be changed (by a Participant or, if applicable, a Beneficiary) in accordance with the following rules: (A) the change must be submitted in writing to the Committee at least 12 months prior to the previously scheduled payment date corresponding to the requested change; (B) the change may not take effect for at least 12 months, (C) the change must result in a postponed distribution for at least five years from the previously scheduled payment date except in the case of distributions due to death, Disability (as defined under the Section 409A Rules) or an Unforeseeable Emergency (as defined under the Section 409A Rules) and (D) the change may only result in an acceleration of a distribution to the extent permitted under the Section 409A Rules.

(c) Timing of Installment Payments. If payment with respect to a Participant's Account is to be made in the form of annual installments, the first such installment payment shall be made on or as soon as practicable after the first business day of the Plan Year following the Plan Year in which the Participant becomes entitled to receive a distribution under paragraph (a) above and no later than the end of that calendar year quarter, and the remaining installment payments shall be made within the same timeframe for each succeeding Plan Year.

(d) Amount of Installment Payments. Each installment payment to be made with respect to the Cash Portion of a Participant's Account shall be made in cash, in an amount determined by dividing (i) the balance of the Cash Portion determined as of the last day of the Plan Year preceding the year in which such payment is to be made, by (ii) the number of installment payments remaining to be made.

(e) Form of Installment Payments. Each installment payment to be made with respect to the PSU Portion of a Participant's Account shall be made partly in shares of Common Stock and partly in cash. The number of shares to be included in each such installment payment shall be equal to the number of whole PSUs included in the quotient resulting from dividing (i) the total number of PSUs included in the balance of the PSU Portion of the Participant's Account as of the last day of the Plan Year preceding the year in which such payment is to be made, by (ii) the number of installment payments remaining to be made; and the amount of cash to be included in each such installment payment shall be determined by multiplying (iii) the fractional part of a PSU included in the aforementioned quotient by (iv) the Average Market Value of one share of Common Stock on the last business day preceding the date on which such installment payment is to be made.

(f) Form of Lump Sum Payments. If payment with respect to all or a portion of a Participant's Account is to be made in the form of a single lump sum payment, such payment shall be made on or as soon as practicable after the first business day of the Plan Year following the Plan Year in which the Participant becomes entitled to receive a distribution under paragraph (a) above and no later than the end of that calendar year quarter. Such payment shall be made (i) in cash, with respect to the balance of the Cash Portion of the Participant's Account and with respect to any fractional PSUs included in the balance of the PSU Portion of the Participant's Account (with the cash amount payable for such fractional PSUs calculated on the basis of the Average Market Value of a share of Common Stock on the last business day preceding the date of payment), and (ii) in

shares of Common Stock, with respect to the number of whole PSUs included in the balance of the PSU Portion of the Participant's Account.

(g) Payments to Beneficiaries. If a Participant should die before receiving all payments required to be made hereunder with respect to his or her Account, any payments remaining to be made at the date of the Participant's death shall be made to the Participant's Beneficiary. Payments to the Beneficiary shall be made in the same form, and at the same times, as the payments would have been made to the Participant had he or she not died; provided, however, that a Beneficiary may change a payment form for Deferred Amounts made on and after the Interim 409A Period only in a manner consistent with subparagraph (b)(ii) above.

(h) Early Distributions for Unforeseeable Emergencies. Notwithstanding any other provision in this Section 8 to the contrary payment with respect to any part or all of the Participant's Account balances may be made to the Participant on any date earlier than the date on which such payment is to be made pursuant to such other provisions of this Section 8 if (i) the Participant requests such early payment and (ii) the Committee, in its sole discretion, determines that such early payment is necessary to help the Participant meet an "unforeseeable emergency" within the meaning of Treasury Regulation §1.457-6(c)(2) with respect to Deferred Amounts not subject to Code section 409A or based on the Unforeseeable Emergency standard for Deferred Amounts made on or after the Interim 409A Period. In either case, the amount that may be so paid may not exceed the amount necessary to meet such emergency and such amount shall be reduced by any amount available to relieve the emergency through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets (if such liquidation would not cause severe financial hardship) or by the cessation of deferrals under the Plan.

(i) Early Distributions for Section 409A Tax Liability. Notwithstanding any provision of this Section 8 to the contrary, if any portion of a Participant's Account under this Plan is required to be included in income by the Participant prior to receipt due to a failure of this Plan to comply with the requirements of Code section 409A and the Section 409A Rules, the Committee may determine that such Participant shall receive a distribution from the Plan in an amount equal to the lesser of (A) the portion of his or her Account required to be included in income as a result of the failure of the Plan to comply with the requirements of Code section 409A and the Section 409A Rules or (B) the unpaid vested Account balance.

(j) Distribution Upon Change in Control Events. Notwithstanding any other provision in this Section 8 to the contrary, the entire unpaid balance of a Participant's Account attributable to Deferred Amounts: (i) made before the Interim Section 409A Period shall become immediately due and payable upon the occurrence of a Pre-Section 409A Change in Control, as hereinafter defined and (ii) made on or after the Interim Section 409A Period shall become immediately due and payable upon the occurrence of a Post-Section 409A Change in Control. In either case, payment with respect to such balance shall be made in the form of a single lump-sum payment. Payment shall be made as soon as practicable after the occurrence of the applicable change in control and no later than 90 days thereafter. Payment shall be made (A) in cash, with respect to the payable balance of the Cash Portion of the Participant's Account and with respect to any fractional PSUs included in the payable balance of the PSU Portion of the Participant's Account (with the cash amount payable for such fractional PSUs calculated on the basis of the Average Market Value of a share of Common Stock on the last business day preceding the date of payment), and (B) subject to Section 4(d), in shares of Common Stock, with respect to the number of whole PSUs then included in the balance of the PSU Portion of the Participant's Account.

For purposes of the foregoing:

- (A) a "Pre-Section 409A Change in Control" shall be deemed to have occurred (i) when any entity, person (within the meaning of Section 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) other than the Corporation or any of its subsidiaries, or any savings, pension or other plan for the benefit of employees of the Corporation or any of its subsidiaries, which theretofore was beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of less than 20% of the then outstanding Common Stock either (a) acquires shares of Common Stock in a transaction or series of transactions that results in such entity, person or group directly or indirectly owning beneficially 20% or more of the outstanding Common Stock, or (b) acquires by proxy or otherwise the right to vote for the election of directors, for any merger, combination or consolidation of the Corporation or any of its subsidiaries, or for any other matter or question more than 20% of the then outstanding voting securities of the Corporation (except where such acquisition is made by a person or persons appointed by at least a majority of the Board of Directors to act as proxy for any purpose); or (ii) upon the election or appointment, within a twelve-month period, of persons to the Board of Directors who were not directors of the Corporation at the beginning of such twelve-month period, and whose election or appointment was not approved by a majority of those persons who were directors at the

beginning of such period, where such newly-elected or appointed directors constitute 20% or more of the members of the Board of Directors; and

- (B) A “Post-Section 409A Change in Control” shall mean the occurrence of a: (1) “change in the ownership,” (2) “change in the effective control” or (3) “change in the ownership of a substantial portion of the assets” of the Corporation or, if required under the Section 409A Rules, another Employer. In order for an event described below to constitute a Post-Section 409A Change in Control with respect to a Participant, except as otherwise specifically provided below, the applicable event must relate to the Employer entity for which the Participant is providing services, the Employer entity that is liable for payment of the Participant’s benefit hereunder (or all Employer entities liable for payment if more than one), as determined in accordance with Treas. Reg. § 1.409A-3(i)(5)(ii)(A)(2), or such other corporation identified by the Committee in accordance with Treas. Reg. § 1.409A-3(i)(5)(ii)(A)(3). In determining whether an event shall be considered a “change in the ownership,” a “change in the effective control” or a “change in the ownership of a substantial portion of the assets” of the Corporation (or, if applicable, other Employer), the following provisions shall apply:
1. A “change in the ownership” shall occur on the date on which any one person, or more than one person acting as a group, acquires ownership of stock of the Corporation (or, if applicable, other Employer) that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the Corporation’s (or, if applicable other Employer’s) stock, as determined in accordance with Treas. Reg. § 1.409A-3(i)(5)(v). If a person or group is considered either to own more than 50% of the total fair market value or total voting power of its stock, or to have effective control of the Corporation (or, if applicable, other Employer) within the meaning of subparagraph (2) below, and such person or group acquires additional stock of the Corporation (or other Employer), the acquisition of additional stock by such person or group shall not be considered to cause a “change in the ownership” of the Corporation (or, if applicable, other Employer).
 2. A “change in the effective control” of the Corporation (or, if applicable, other Employer) shall occur on either of the following dates:
 - a. The date on which 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 Corporation (or, if applicable, other Employer) possessing 30% or more of the total voting power of its stock of the Corporation (or, if applicable, other Employer), as determined in accordance with Treas. Reg. § 1.409A-3(i)(5)(vi). If a person or group is considered to possess 30% or more of the total voting power of its stock of the Corporation (or, if applicable, other Employer), and such person or group acquires additional stock of the Corporation (or, if applicable, other Employer), the acquisition of additional stock by such person or group shall not be considered to cause a “change in the effective control” of the Corporation (or, if applicable, other Employer); or
 - b. The date on which a majority of the Board of Directors is replaced during any 12-month period by directors whose appointment or election are not endorsed by a majority of the members of the Board of Directors before the date of the appointment or election, as determined in accordance with Treas. Reg. § 1.409A-3(i)(5)(vi). In determining whether the event described in the preceding sentence has occurred, the Corporation shall, if necessary, be replaced with another Employer identified in accordance with Treas. Reg. § 1.409A-3(i)(5)(ii) for which no other corporation is a majority shareholder for purposes of the preceding sentence.
 3. A “change in the ownership of a substantial portion of the assets” of the Corporation (or, if applicable, other Employer) shall occur on the date on which 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) assets from the Corporation (or, if applicable, other Employer) that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Corporation (or, if applicable, other Employer) immediately before such acquisition or acquisitions, as determined in accordance with Treas. Reg. § 1.409A-3(i)(5)(vii). A transfer of assets shall not be treated as a “change in the ownership of a substantial portion of the assets” when such transfer is made to an entity that is controlled by the shareholders of the Corporation, (or, if applicable, other Employer) as determined in accordance with Treas. Reg. § 1.409A-3(i)(5)(vii)(B).

(k) Income Tax Withholding. There shall be deducted from the amount of any payment otherwise required to be made under the Plan all federal, state and local taxes required by law to be withheld with respect to such payment.

9. Designation and Change of Beneficiary

Each Participant shall file with the Committee a written designation of one or more persons as the Beneficiary who shall be entitled to receive any amount, or any shares of Common Stock, payable under the Plan by reason of his or her death. A Participant may, from time to time, revoke or change his or her Beneficiary designation without the consent of any previously-designated Beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. If at the date of a Participant's death, there is no designation of a Beneficiary in effect for the Participant pursuant to the provisions of this Section 9, or if no Beneficiary designated by the Participant in accordance with the provisions hereof survives to receive any amount payable under the Plan by reason of the Participant's death, the Participant's estate shall be treated as the Participant's Beneficiary for purposes of the Plan.

10. Payments to Persons Other Than Participants

If the Committee shall find that any Participant or Beneficiary to whom any amount, or any shares of Common Stock, is payable under the Plan is unable to care for his or her affairs because of illness, accident or legal incapacity, then, if the Committee so directs, such amount, or such shares, may be paid to such Participant's or Beneficiary's spouse, child or other relative, an institution maintaining or having custody of such person, or any person deemed by the Committee to be a proper recipient on behalf of such Participant or Beneficiary, unless a prior claim therefor has been made by a duly-appointed legal representative of the Participant or Beneficiary.

Any payment made under this Section 10 shall be a complete discharge of the liability of the Corporation with respect to such payment.

11. Rights of Participants

A Participant's rights and interests under the Plan shall be subject to the following provisions:

(a) Unsecured Creditor Status of Participants. A Participant shall have the status of a general unsecured creditor of the Corporation with respect to his or her right to receive any payment under the Plan. The Plan shall constitute a mere promise by the Corporation to make payments in the future of the benefits provided for herein. It is intended that the arrangements reflected in this Plan be treated as unfunded for tax purposes.

(b) Establishment of Trust. The Corporation may, but shall not be required to, establish a trust to assist it in funding any of its payment obligations under the Plan. If any such trust is established, all of the assets of the trust shall, at all times prior to payment to Participants, remain subject to the claims of the Corporation's general creditors; and no Participant or Beneficiary shall have any preferred claim on, or any beneficial ownership interest in, any assets of the trust. Any trust so established shall also contain such other terms and provisions as will permit the trust to be treated as a "grantor trust", of which the Corporation is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Code. If any such trust is established, the Corporation shall be relieved of its obligation hereunder to pay any amounts or shares of Common Stock to any Participant or Beneficiary, to the extent that such amounts or shares are paid to the Participant or Beneficiary from such trust.

(c) Prohibition on Alienation of Benefits. A Participant's rights to payments under the Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Participant or his or her Beneficiary.

12. Administration

The Plan shall be administered by the Corporate Governance Committee of the Board of Directors (or such other committee as designated by the Board of Directors) (the "Committee") or its designees. All decisions, actions or interpretations of the Committee under the Plan shall be final, conclusive and binding upon all parties. The Committee shall have full discretion and authority to construe and interpret the terms and provisions of this Plan, which interpretation or construction shall be final and binding on all parties, including, but not limited to, an Employer, any Participant or

beneficiary. Without limiting the generality of the foregoing, the Committee shall have the authority to: (a) construe and interpret the terms and provisions of this Plan and to remedy any ambiguities, omissions or inconsistencies contained therein; (b) compute and certify to the amount and kind of benefits payable to Participants and their Beneficiaries; (c) maintain all records that may be necessary for the administration of the Plan; (d) promulgate, administer and enforce such rules for the regulation of the Plan and procedures for the administration of the Plan as are not inconsistent with the terms hereof; and (e) appoint a plan administrator or any other agent, and to delegate to them such powers and duties in connection with the administration of the Plan as the Committee may from time to time prescribe.

No member of the Committee shall be personally liable by reason of any contract or other instrument executed by such member or on his or her behalf in his or her capacity as a member of the Committee nor for any mistake of judgment made in good faith, and the Corporation shall indemnify and hold harmless each member of the Committee, and each employee, officer, or director of the Corporation or any of its subsidiaries to whom any duty or power relating to the administration or interpretation of the Plan may be delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim with the approval of the Board of Directors) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or bad faith.

13. Amendment or Termination

The Board of Directors may, with prospective or retroactive effect, amend, suspend or terminate the Plan or any portion thereof at any time; provided, however, that no amendment of the Plan shall deprive any Participant of any rights to receive payment of any amounts or shares of Common Stock due him or her under the terms of the Plan as in effect prior to such amendment without his or her written consent. Notwithstanding the preceding sentence, to the extent permitted by the Section 409A Rules, the Corporation may provide that upon termination of the Plan, all Account balances of the Participants shall be distributed, subject to and in accordance with any rules established by the Corporation deemed necessary to comply with the applicable requirements and limitations under the Section 409A Rules.

Any amendment that the Board of Directors would be permitted to make pursuant to the preceding paragraph may also be made by the Committee where appropriate to facilitate the administration of the Plan or to comply with applicable law or any applicable rules and regulations of governing authorities, provided that the cost of the Plan to the Corporation is not materially increased by such amendment.

14. Successor Corporation

The obligations of the Corporation under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Corporation, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Corporation. The Corporation agrees that it will make appropriate provision for the preservation of Participants' rights under the Plan in any agreement or plan which it may enter into or adopt to effect any such merger, consolidation, reorganization or transfer of assets.

15. Construction

If any provision of this Plan shall be held by a court of competent jurisdiction to be invalid or unenforceable, the rest of the provisions of this Plan shall nevertheless remain in full force and effect. A Participant's election form for a Plan Year may be executed in one or more counterparts (including by facsimile and e-mail), each of which shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument. Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply. The captions of the sections and paragraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

Any reference to a particular provision of the Code or a regulation issued under the Code shall be deemed to automatically include any successor provision.

16. Indemnification for Section 409A Taxes and Penalties

If any payment or distribution by, or on behalf of, the Corporation to or for the benefit of a Participant (or Beneficiary) is subject to, or the Participant (or Beneficiary) is notified by the Internal Revenue Service that he or she is or will be subject to,

a penalty taxes imposed by Section 409A of the Code or if any interest or penalties are incurred by the Participant (or Beneficiary) with respect to such penalty taxes (such penalty taxes together with any such interest and penalties, are hereinafter collectively referred to as the "**Section 409A Tax**"), then the Participant (or Beneficiary) shall be entitled to receive an additional payment (a "**Section 409A Gross-Up Payment**") in an amount such that after payment by Participant (or Beneficiary) of all Section 409A Tax and all income taxes (and any interest and penalties imposed with respect thereto) imposed upon the Section 409A Gross-Up Payment, the Participant (or Beneficiary) retains an amount of the 409A Gross-Up Payment equal to the Section 409A Tax imposed upon the Payment; provided, however, that the Corporation shall only be responsible to make a Section 409A Gross-Up Payment with respect to the Section 409A Tax if the Section 409A Tax relates to or results from (i) the Corporation's failure to operate a "nonqualified deferred compensation plan" (as such term is defined in the Section 409A Rules) (a "**NQDC**") in compliance with the Section 409A Rules on and after January 1, 2005; or (ii) the lack of compliance of any Corporation NQDC document or documentation with the Section 409A Rules; or (iii) the payment or distribution by the Corporation (or by any Corporation NQDC) of any NQDC amount if such payment or distribution is not in compliance with the Section 409A Rules. For the avoidance of doubt, the Corporation shall not be responsible to make any Section 409A Gross-Up Payment if, (1) after a timely notice or request by the Corporation to the Participant (or Beneficiary), the Participant (or Beneficiary) refuses or fails to make a timely election to alter the timing of payment or distribution or (2) the Participant, in his or her capacity as a Director, causes the Corporation to take any action, or causes the Corporation to fail to take any action, which causes the Participant (or Beneficiary) to be subject to a Section 409A Tax.

Determinations required to be made on the amount of the Section 409A Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by a certified public accounting firm selected by the Corporation (the "**Accounting Firm**") which shall provide detailed supporting calculations both to the Corporation and the Participant (or Beneficiary) within thirty (30) business days of the receipt of notice from the Participant (or Beneficiary) that he or she is subject to a Section 409A Tax, or such earlier time as is reasonably requested by the Corporation. All fees and expenses of the Accounting Firm shall be borne solely by the Corporation. Any Section 409A Gross-Up Payment, as determined pursuant to this Section, shall be paid by the Corporation to the Participant (or Beneficiary) within thirty (30) days of the receipt of the Accounting Firm's determination, but in no event later than the last day of the year following the year in which the Participant (or Beneficiary) remits the related taxes. Any determination by the Accounting Firm shall be binding upon the Corporation and the Participant (or Beneficiary).

17. Governing Law

The provisions of the Plan shall be governed by and construed in accordance with the internal laws of the State of New York, and without regard to its conflict of laws provisions. Notwithstanding the foregoing, the Plan shall be governed and construed in a manner consistent with the Section 409A Rules which shall take precedent over any laws of the State of New York which are inconsistent with the Section 409A Rules.

AVNET, INC.
2010 STOCK COMPENSATION PLAN
(As Amended and Restated Effective as of May 8, 2018)

ARTICLE 1
PURPOSE OF THE PLAN

The Avnet, Inc. 2010 Stock Compensation Plan, as amended and restated, is intended to advance the interests of the Company by helping Avnet and its Subsidiaries to attract, retain, and appropriately motivate high caliber persons to serve as Eligible Employees and Non-Employee Directors, and by providing incentives to Eligible Employees and Non-Employee Directors that are consistent with the shareholders' interest in maximizing the value of Avnet's Common Stock.

ARTICLE 2
DEFINITIONS

Unless the context indicates otherwise, the following terms, when used in capitalized form, shall have the meanings set forth below:

2.1. "Administrator" means—

- (a) with respect to each Award granted to an Eligible Employee, the Committee; and
- (b) with respect to each Award granted to a Non-Employee Director, the Independent Directors.

2.2. "Avnet" means Avnet, Inc.

2.3. "Agreement" means the agreement evidencing an Award granted hereunder, including any addendum to an Option Agreement relating to Stock Appreciation Rights. Each Agreement shall be in such form as prescribed or approved by the Administrator.

2.4. "Award" means a grant under the Plan of an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, or Other Stock Unit Award, as evidenced by an Agreement.

2.5. "Board of Directors" and "Director" shall mean, respectively, the Board of Directors of Avnet and any member thereof.

2.6. "Change in Control" means the happening of any of the following:

- (a) the acquisition, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a "Person")), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (A) the then outstanding shares of Stock or (B) the combined voting power of the then outstanding voting securities of Avnet entitled to vote generally in the election of Directors; provided, however, that none of the following acquisitions shall constitute a Change in Control under this subsection (a): (i) an acquisition directly from Avnet (excluding an acquisition by virtue of the exercise of a conversion privilege), (ii) an acquisition by Avnet, or (iii) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by Avnet or any entity controlled by Avnet; or
- (b) individuals who, as of the date of the 2010 annual meeting of Avnet's stockholders (the "Determination Date"), constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that an individual who becomes a Director after the Determination Date shall be treated as a member of the Incumbent Board if (i) his election, or nomination for election by Avnet's stockholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board, and (ii) his initial assumption of office does not occur as a result of an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or
- (c) A complete liquidation or dissolution of Avnet or the sale or other disposition of all or substantially all of the assets of Avnet.

2.7. "Code" means the Internal Revenue Code of 1986, as amended.

2.8. "Committee" means the Compensation Committee of the Board of Directors, which shall consist of three or more Non-Employee Directors appointed by the Board of Directors; provided, however, that no individual who is not both a "non-employee director" within the meaning of Rule 16b-3 and an "outside director" within the meaning of Section 162(m) of the Code shall serve as a member of the Committee unless there are fewer than two Non-Employee Directors who satisfy such

conditions.

2.9. “*Company*” means Avnet and all its Subsidiaries.

2.10. “*Covered Participant*” means a Participant who is a “covered employee” under Code Section 162(m).

2.11. “*Eligible Employee*” means a regular full-time employee of Avnet or of any of its Subsidiaries (including any Director who is also a regular full-time employee of Avnet or a Subsidiary). The term “Eligible Employee” shall also include an individual retained by Avnet or any of its Subsidiaries to render services as a consultant or advisor other than services in connection with the offer or sale of securities in a capital-raising transaction or services that directly or indirectly promote or maintain a market for Avnet’s securities.

2.12. “*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

2.13. “*Executive Officer*” means an employee designated by Avnet as an executive officer under Rule 16b-3.

2.14. “*Fair Market Value*” means, with respect to any date, the closing price (as reported for the Nasdaq Composite Index) at which shares of Stock have been sold on such date (or, if such date is a date for which no trading is so reported, on the next preceding date for which trading is so reported).

2.15. “*Grant Date*” means, with respect to granting an Award or modification of an outstanding Award, the date on which the material terms of the Award (including the number of shares covered by the Award, the conditions for vesting, lapse of the Period of Restriction, and exercise, and the purchase price, if any) are established and the Administrator’s action constituting the making or modification of such Award is completed, without regard to (a) the date on which the applicable Agreement is executed or (b) whether such Award or modification is subject to future shareholder approval or other conditions. The Grant Date for any Award shall not occur before the recipient of the Award becomes an Eligible Employee or Non-Employee Director, as applicable.

2.16. “*Incentive Stock Option*” or “*ISO*” means an Option intended to qualify as an “incentive stock option” under Section 422 of the Code.

2.17. “*Independent Directors*” means members of the Board of Directors acting as a group, each of whom satisfies Avnet’s “Director Independence Standards,” which are consistent with the director independence requirements established from time to time by The Nasdaq Global Select Market.

2.18. “*Non-Employee Director*” means a Director who is not an Eligible Employee.

2.19. “*Option*” means an Award granted pursuant to Article 5 that gives the recipient the right to purchase a specified number of shares at a specified price during a specified term, subject to the terms and conditions of the applicable Agreement.

2.20. “*Optionee*” means a person who, at the time in question, holds an Option that then remains unexercised in whole or in part, has not been surrendered, and has not expired or terminated. The term “Optionee” also includes any Successor Optionee.

2.21. “*Other Stock Unit Award*” means an Award granted pursuant to Article 9.

2.22. “*Participant*” means an Eligible Employee or Non-Employee Director who has been granted an Award hereunder.

2.23. “*Period of Restriction*” means the period during which the transfer of shares of Restricted Stock is restricted, pursuant to Article 7.

2.24. “*Person*” means “person” as defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d) and 14(d) thereof, including a “group” as defined in Section 13(d) of the Exchange Act, but excluding Avnet, any Subsidiary, and any employee benefit plan sponsored or maintained by Avnet or any Subsidiary (including any trustee of such plan acting as trustee).

2.25. “*Performance Criteria*” means any of the following criteria as related to Avnet, any Subsidiary, or any division or other area of Avnet or a Subsidiary: economic profit, total stockholder return, revenues, sales, net income, earnings per share, return on equity, cash flow, operating margin, or net worth. In addition, for any Participant who is not a Covered Participant, Performance Criteria may include any other criteria selected by the Committee.

2.26. “*Performance Objectives*” means, for any Award that is contingent in whole or in part on achievement of performance objectives, the objectives or other performance levels with respect to specified Performance Criteria that are measured over a calendar year or other specified period for the purpose of determining the amount of such Award and/or whether such Award is granted or vested.

2.27. “*Plan*” means the Avnet, Inc. 2010 Stock Compensation Plan, as set forth herein and as amended from time to time.

2.28. “*Restricted Stock*” means an Award of Stock granted pursuant to Article 7.

2.29. “*Restricted Stock Unit*” means an Award granted pursuant to Article 8 that gives the recipient a contractual right to receive cash or shares of Stock upon the attainment of specified vesting conditions.

2.30. “*Rule 16b-3*” means SEC Rule 16b-3 promulgated under the Exchange Act.

2.31. “*Securities Act*” means the Securities Act of 1933, as amended.

2.32. “*Stock*” means, subject to the adjustment provisions set forth in Article 11, Avnet’s \$1.00 par value common stock.

2.33. “*Stock Appreciation Right*” or “*SAR*” means an Award granted pursuant to Article 6 that gives the recipient the right to receive, upon exercise of the Award, an amount equal to the excess of the Fair Market Value of the shares of Stock with respect to which the SAR is being exercised (determined as of the exercise date) over the exercise price set forth in the Agreement. The amount payable upon exercise of a SAR may be paid in cash, shares of Stock, or a combination of cash and shares of Stock with an aggregate Fair Market Value (determined as of the exercise date) equal to the amount described in the immediately preceding sentence.

2.34. “*Subsidiary*” means a corporation in which Avnet directly or indirectly owns more than 50% of the total combined voting power of all classes of capital stock. The term Subsidiary includes any corporation in which a Subsidiary described in the immediately preceding sentence owns more than 50% of the total combined voting power of all classes of capital stock.

2.35. “*Successor Optionee*” means any person who, under the provisions of Article 5, has acquired from an Optionee the right to exercise an Option, for so long as such Option remains unexercised in whole or in part, and has not been surrendered, exercised, or terminated.

ARTICLE 3 SHARES RESERVED FOR THE PLAN

3.1. *General Limitations.* Subject to the adjustment provisions set forth in Article 11, the maximum number of shares of Stock that may be delivered pursuant to the exercise of Awards granted under the Plan shall be 7,000,000. At no time shall there be outstanding Awards under the Plan covering more than such maximum number of shares less the aggregate of the shares of Stock previously delivered pursuant to the exercise of Options (including the shares of Stock previously covered by Options surrendered in connection with the exercise of SARs), the shares of Stock with respect to which stock-settled SARs have been exercised (without regard to the number of shares of Stock issued upon settlement of such SARs), and the shares of Stock previously delivered pursuant to the vesting of Restricted Stock, Restricted Stock Units and Other Stock Unit Awards. The shares of Stock authorized hereunder shall be in addition to the shares of Stock authorized for grant under the 2006 Avnet, Inc. Stock Compensation Plan (the “2006 Plan”), which shall continue to be available for grant under the 2006 Plan. Shares of Stock subject to Awards may consist of authorized but unissued shares of Stock and/or shares of Stock held in Avnet’s treasury.

3.2. *Individual Limitations.* No Covered Participant may be granted Awards for more than 1,000,000 shares of Stock in any calendar year, and no individual may be granted Options for more than 500,000 shares of Stock in any calendar year. In addition, no Non-Employee Director may be granted Awards for more than 30,000 shares of Stock in any calendar year; provided, however, that up to 60,000 shares of Stock may be subject to Awards granted to a Non-Employee Director during the calendar year in which he first joins the Board of Directors or is first designated as Chairman of the Board of Directors or Lead Director.

3.3. *Termination and Expiration of Awards.* If an Award is surrendered, terminates, or expires, whether in whole or in part, the number of shares of Stock covered by such Award immediately before such surrender, termination, or expiration shall thereupon be added back to the number of shares of Stock otherwise available for further grants of Awards hereunder; provided, however, that the following transactions involving shares of Stock shall not result in shares of Stock becoming available for subsequent Awards: (a) Stock tendered or withheld in payment of the exercise price of an Option; (b) Stock tendered or withheld for taxes; (c) Stock that was subject to a stock-settled SAR or an Option that was related to a SAR and was not issued upon the net settlement or net exercise of such SAR; and (d) Stock repurchased on the open market with the proceeds of an Option exercise.

ARTICLE 4 ADMINISTRATION OF THE PLAN

4.1. *Plan Administration.* This Plan shall be administered by the Administrator. The Administrator shall have full and exclusive power to: (a) construe and interpret the Plan; (b) establish and amend rules and regulations for the administration of the Plan; and (c) correct any defect, remedy any omission, and reconcile any ambiguity or inconsistency in the Plan or any Award in the manner and to the extent it deems necessary or desirable to carry out the intent of the Plan and such Award. Subject to Section 4.6, the Administrator may delegate its authority hereunder to one or more Company officers to the extent

permitted by and not inconsistent with any requirements of applicable law.

4.2. *Committee's Authority to Grant Awards.* In addition to the powers enumerated in Section 4.1 (and without limiting the generality thereof), the Committee shall have plenary authority and discretion to determine the time or times at which Awards shall be granted to Eligible Employees, the Eligible Employees to whom Awards shall be granted, the number of shares of Stock to be covered by each such Award, and (to the extent not inconsistent with the provisions of this Plan) the terms and conditions upon which each such Award may be exercised. Subject to the requirements of the Plan, the terms and conditions prescribed or approved for any Agreement with an Eligible Employee shall be entirely within the discretion of the Committee; and nothing in this Plan shall be deemed to give any Eligible Employee any right to receive Awards.

4.3. *Independent Directors' Authority to Grant Awards.* In addition to the powers enumerated in Section 4.1 (and without limiting the generality thereof), the Independent Directors shall have plenary authority and discretion to determine the time or times at which Awards shall be granted to Non-Employee Directors, the Non-Employee Directors to whom Awards shall be granted, the number of shares of Stock to be covered by each such Award, and (to the extent not inconsistent with the provisions of this Plan) the terms and conditions upon which each such Award may be exercised; provided that (a) the members of the Committee shall abstain from participating in any action taken by the Independent Directors with respect to Awards granted or to be granted to any such members, and (b) no Award shall be granted to a Non-Employee Director unless such grant is approved by a majority of the Non-Employee Directors. Subject to the requirements of the Plan, the terms and conditions prescribed or approved for any Agreement with a Non-Employee Director shall be entirely within the discretion of the Independent Directors; and nothing in this Plan shall be deemed to give any Non-Employee Director any right to receive Awards.

4.4. *Actions of the Committee.* A majority of the members of the Committee (but not less than two) shall constitute a quorum, and all acts, decisions or determinations of the Committee shall be by majority vote of such of its members as shall be present at a meeting duly held at which a quorum is so present. Any act, decision, or determination of the Committee reduced to writing and signed by a majority of its members (but not less than two) shall be fully effective as if it had been made, taken or done by vote of such majority at a meeting duly called and held.

4.5. *Reporting.* The Committee shall deliver a report to the Board of Directors with reasonable promptness following the taking of any action(s) in the administration of this Plan, which report shall set forth in full the action(s) so taken. The Committee shall also file such other reports and make such other information available as may from time to time be prescribed by the Board of Directors.

4.6. *CEO Input on Award Determinations.* The Committee may request recommendations for individual Awards from the Chief Executive Officer of Avnet and, to the extent permitted by applicable law, may delegate to the Chief Executive Officer of Avnet the authority to make Awards to Participants who are not Executive Officers or Covered Participants, subject to a maximum aggregate Award amount for such a group and a maximum individual Award amount for any one Participant, as determined by the Committee. However, only the Committee is authorized to grant Awards to Executive Officers and Covered Participants, and the Committee may not delegate such authority.

4.7. *Decisions of the Administrator.* All determinations and decisions made by the Administrator pursuant to the provisions of the Plan shall be final, conclusive, and binding upon all Persons and the Company, except to the extent that the terms of any sale or award of shares of Stock or any grant of rights or Options under the Plan are required by law or by the Articles of Incorporation or Bylaws of Avnet to be approved by the Board of Directors or shareholders.

4.8. *Law Compliance.* Notwithstanding any other provision of the Plan, the Administrator may impose such conditions on any Award, and the Board may amend the Plan in any such respects, as the Administrator or the Board determines is necessary or desirable to avoid adverse consequences under Rule 16b-3, Section 162(m) of the Code, Section 409A of the Code, Section 280G of the Code, or any other applicable law.

ARTICLE 5 OPTIONS

5.1. *Grant.* The Committee may grant Options to Eligible Employees, and the Independent Directors may grant Options to Non-Employee Directors.

5.2. *Exercise Price.* The price per share at which Stock subject to an Option may be purchased shall be determined by the Administrator, and shall be set forth in the Agreement. In no event shall such exercise price be less than 100% of the Fair Market Value of the Stock on the Grant Date.

5.3. *Term.* The term of each Option granted under the Plan shall be such period of time as the Administrator shall determine, and shall be set forth in the Agreement; provided, however that, in no event shall an Option be exercisable after the day before the tenth anniversary of the Grant Date. Unless sooner forfeited or otherwise terminated pursuant to the terms hereof

or of the Agreement, each Option granted under the Plan shall expire at the end of its term, and the term may not be extended. No Option granted hereunder may be exercised after the expiration of its term.

5.4. *Exercisability (Vesting)*. Each Option granted under the Plan shall become vested and exercisable, in whole or in part, at such time or times during its term as set forth in the Agreement; provided, however, that the exercisability of any Option may be accelerated in whole or in part, at any time, by the Administrator. Subject to the provisions of the Agreement, each Option granted under the Plan that has become exercisable pursuant to the preceding sentence shall remain exercisable thereafter until the expiration of its term as described in Section 5.3.

5.5. *Exercise*. To the extent that an Option has become exercisable in accordance with Section 5.4, such Option may be exercised by written notice to Avnet stating the number of shares of Stock with respect to which such Award is being exercised, accompanied by payment in full therefor as prescribed below. After receipt of such notice and payment, subject to Section 10.6, Avnet shall either (a) deliver to the Optionee, at the principal office of Avnet or such other place as Avnet may designate, a certificate or certificates representing the shares of Stock acquired upon such exercise, or (b) record the stock transfer on its book and records without the need to issue a physical certificate. In the discretion of the Administrator, the payment due upon exercise of an Option may be made (i) by check (certified, if so required by Avnet); (ii) in the form of certificates representing shares of Stock (duly endorsed or accompanied by appropriate stock powers, in either case with signature guaranteed if so required by Avnet) with a Fair Market Value, at the date of receipt by Avnet of such certificates and the notice above mentioned, equal to the aggregate exercise price; (iii) by a combination of check and certificates for shares of Stock; or (iv) in any other manner (including cashless exercise) acceptable to the Administrator.

5.6. *General Modification Rules*. The Administrator may, for such consideration (if any) as it may deem adequate and with the prior consent of the Optionee, modify the terms of any outstanding Option; provided, however, that except to the extent permitted by Section 5.7, no Option may be repriced, replaced, or regranted through cancellation, or by lowering the exercise price of such Option, without shareholder approval.

5.7. *Special Modification in the Event of a Corporate Transaction*. In the event of a corporate transaction (within the meaning of Treas. Reg. 1.424-1(a)(3)), the Administrator may provide for the assumption or substitution of outstanding Options, provided that the requirements of Treas. Reg. § 1.424-1(a) are satisfied with respect to Incentive Stock Options, and the requirements of Treas. Reg. § 1.409A-1(b)(v)(D) are satisfied with respect to all other Options.

5.8. *Special Rules for Incentive Stock Options ("ISOs")*. ISOs shall be subject to the requirements of Section 422 of the Code, including the following (all of which shall be interpreted consistent with the intent to comply with the requirements of Section 422 of the Code and not to impose any restrictions that are not required by Section 422):

(a) *Shares Available for ISO Grants*. All shares of Stock authorized for Awards under Article 3 are available to be issued through ISOs; provided, however, that to the extent required by Section 422 of the Code, canceled Awards shall continue to be counted against the number of shares available.

(b) *Optionee Must Be an Employee*. No ISO shall be granted to any individual who is not an employee of Avnet or a Subsidiary at the time of grant.

(c) *Special Rules for 10% Owners*. An Incentive Stock Option shall not be granted to an individual who, immediately before the time the Option is granted, owns shares of Stock possessing more than 10 percent of the total combined voting power of all classes of stock of Avnet, unless the Agreement for such Incentive Stock Option provides that (i) the exercise price is no less than 110 percent (110%) of the Fair Market Value of the Stock on the Grant Date (determined in accordance with Treas. Reg. § 1.422-2(f)(1)), and (ii) the Option expires no later than the fifth anniversary of the Grant Date.

ARTICLE 6 STOCK APPRECIATION RIGHTS ("SARs")

6.1. *Grant*. The Committee may grant SARs to Eligible Employees, and the Independent Directors may grant SARs to Non-Employee Directors. Each SAR may be free-standing or related to all or part of an Option. In the discretion of the Administrator, a SAR related to an Option may be granted at any time before the related Option is exercised, expires, is terminated, or is surrendered, and may be modified when the related Option is modified.

6.2. *Exercise Price*. The exercise price per share for each free-standing SAR granted under the Plan shall be determined by the Administrator, and shall be set forth in the Agreement. In no event shall the exercise price be less than 100% of the Fair Market Value of the Stock on the Grant Date.

6.3. *Term*. The term of each SAR granted under the Plan shall be such period of time as the Administrator shall determine, and shall be set forth in the Agreement; provided, however that in no event shall a SAR be exercisable after the day before the tenth anniversary of the Grant Date. Unless sooner forfeited or otherwise terminated pursuant to the terms hereof or of the

Agreement, each SAR granted under the Plan shall expire at the end of its term, and the term may not be extended. No SAR granted hereunder may be exercised after the expiration of its term.

6.4. *Exercisability (Vesting)*. Each SAR shall become vested and exercisable, in whole or in part, at such time or times during its term as set forth in the Agreement; provided, however, that (a) the exercisability of any SAR may be accelerated in whole or in part, at any time, by the Administrator, and (b) if a SAR relates to all or part of an Option, such SAR shall be exercisable only to the extent that the related Option is exercisable. Subject to the provisions of the Agreement, each SAR that is exercisable pursuant to the preceding sentence shall remain exercisable thereafter until the expiration of its term as described in Section 6.3.

6.5. *Exercise*. To the extent that a SAR has become exercisable in accordance with Section 6.4, such SAR may be exercised in accordance with the procedures set forth in Section 5.5 (Exercise of Options), but without the requirement to make a payment therefor. If the SAR is related to all or part of an Option, the Optionee must provide with the exercise notice an instrument effecting the surrender of the related portion of the Option. Each SAR may be settled in shares of Stock, cash, or a combination of cash and shares. No fractional shares shall be issued; any amount that would have been payable in fractional shares shall be paid in cash.

6.6. *Other Conditions*. The Administrator may impose any other conditions upon the exercise of Stock Appreciation Rights. Such conditions may govern the right to exercise SARs granted before the adoption or amendment of such conditions as well as SARs granted thereafter.

6.7. *Modification Rules*. The modification rules and restrictions set forth in Sections 5.6 and 5.7 shall also apply with respect to SARs.

ARTICLE 7 RESTRICTED STOCK

7.1. *Grant*. The Committee may grant Restricted Stock to Eligible Employees, and the Independent Directors may grant Restricted Stock to Non-Employee Directors. The number of shares granted pursuant to any Award shall be determined by the Administrator and set forth in the Agreement.

7.2. *Restrictions*. During the Period of Restriction established by the Administrator and set forth in the applicable Agreement, shares of Restricted Stock shall not be sold, transferred, pledged, assigned, exchanged, encumbered, alienated, hypothecated, or otherwise disposed of. In addition, if a Participant's employment with the Company terminates before the end of the Period of Restriction for any shares of Restricted Stock, all such restricted shares shall be forfeited, and all rights of the Participant with respect to such shares of Stock shall immediately terminate without any payment or other consideration therefor. Any forfeited shares of Restricted Stock that had been delivered to, or held in custody for, a Participant shall be returned to Avnet, accompanied by any instrument of transfer requested by Avnet.

7.3. *Lapse of Period of Restriction (Vesting)*. The Period of Restriction for each Award of Restricted Stock shall lapse upon satisfaction of conditions established by the Administrator and set forth in the Agreement. Such conditions may be based on (a) continued service to Avnet or a Subsidiary for a specified period, (b) achievement of Performance Objectives, or (c) a combination of (a) and (b). Except as provided in Section 10.2 (Acceleration of Vesting), the Period of Restriction for any Award that is conditioned (all or in part) on achievement of Performance Objectives shall be no less than one (1) year from the Grant Date, and the Period of Restriction for any Award that is not conditioned on achievement of Performance Objectives shall lapse no faster than pro rata on an annual basis over the three (3) year period that starts on the Grant Date.

7.4. *Settlement of Restricted Stock*. Shares of Restricted Stock shall become freely transferable immediately following the last day of the Period of Restriction. As soon as practicable after the Period of Restriction lapses, certificates for any shares of Restricted Stock that have not already been delivered to the Participant shall be so delivered, at the principal office of Avnet (or such other place as Avnet may designate), or Avnet may record the stock transfer on its book and records without the need to issue a physical certificate.

7.5. *Voting Rights*. During the Period of Restriction, Participants in whose name Restricted Stock is granted under the Plan may exercise full voting rights with respect to those shares.

7.6. *Dividend Rights*. During the Period of Restriction, Participants in whose name Restricted Stock is granted shall be entitled to receive all dividends and other distributions paid with respect to such Awards, as set forth in this Section 7.6. Dividends paid in cash shall be automatically reinvested in additional shares of Restricted Stock at a purchase price per share equal to Fair Market Value of a share of Stock on the date of such dividend is paid; provided, however fractional shares shall not be issued. Any amount that would have been invested in a fractional share shall be payable to the Participant in cash when the Period of Restriction for the underlying shares lapses. All additional shares of Stock received by a Participant in respect of a dividend or other distribution on Restricted Stock, whether through reinvestment or through a dividend or other

distribution paid in shares of Stock, shall be subject to the same restrictions (for the same Period of Restriction) as the Restricted Stock with respect to which they were received; and the right to receive cash with respect to any fractional share shall be subject to forfeiture until the Period of Restriction for the underlying shares lapses.

7.7. *Foreign Laws.* Notwithstanding any other provision of the Plan, if Restricted Stock is to be awarded to a Participant who is subject to the laws, including the tax laws, of any country other than the United States, the Committee may, in its discretion, direct Avnet to sell, assign, or otherwise transfer the Restricted Stock to a trust or other entity or arrangement, rather than grant the Restricted Stock directly to the Participant.

ARTICLE 8 RESTRICTED STOCK UNITS

8.1. *Grant.* The Committee may grant Restricted Stock Units to Eligible Employees, and the Independent Directors may grant Restricted Stock Units to Non-Employee Directors. The number of shares of Stock underlying any Restricted Stock Unit Award shall be determined by the Administrator and set forth in the Agreement.

8.2. *Vesting.* An Award of Restricted Stock Units shall be subject to vesting conditions established by the Administrator and set forth in the applicable Agreement. Such vesting conditions may be based on (a) continued service to Avnet or a Subsidiary for a specified period, (b) achievement of Performance Objectives, or (c) a combination of (a) and (b). Except as provided in Section 10.2 (Acceleration of Vesting), (i) if vesting of the Award is conditioned (all or in part) on achievement of Performance Objectives, the Award shall not become vested before the first anniversary of the Grant Date, and (ii) if vesting of the Award is not conditioned on achievement of Performance Objectives, the Award shall become vested no faster than pro rata on an annual basis over the three (3) year period that starts on the Grant Date. If a Participant's employment with the Company terminates before his Award becomes fully vested, the unvested portion of such Award shall be forfeited.

8.3. *Settlement of Restricted Stock Units.* Subject to Section 10.6, as soon as practicable after any Restricted Stock Unit becomes vested, Avnet shall transfer to the Participant one share of Stock for each such vested Restricted Stock Unit, cash in lieu of shares of Stock, or a combination of cash and shares of Stock. No fractional shares shall be issued with respect to vesting of Restricted Stock Units.

8.4. *Dividend Rights.* Participants in whose name Restricted Stock Units are granted shall not be entitled to receive dividends or other distributions with respect to shares of Stock underlying such Restricted Stock Unit, unless the Agreement provides otherwise. Any right to receive dividends or other distributions shall be subject to the same vesting conditions and risk of forfeiture as the Restricted Stock Units with respect to which such right is granted, and all dividends and distributions shall be paid when the applicable Restricted Stock Units are settled.

ARTICLE 9 OTHER STOCK UNIT AWARDS

9.1. *Grant.* The Committee may grant Other Stock Unit Awards to Eligible Employees, and the Independent Directors may grant Other Stock Unit Awards to Non-Employee Directors. Each Other Stock Unit Award may be granted as a stand-alone Award or in connection with another Award made under the Plan, and may be in the form of Stock or other securities. The number of shares of Stock or other securities underlying any Other Stock Unit Award shall be determined by the Administrator and set forth in the Agreement.

9.2. *Amount of Award.* The value of each Other Stock Unit Award shall be based, in whole or in part, on the value of the underlying Stock or other securities. The Administrator, in its sole and complete discretion, may determine that an Other Stock Unit Award may provide to the Participant (a) dividends or dividend equivalents (to the extent provided in the applicable Agreement) and (b) cash payments in lieu of or in addition to an Award.

9.3. *General Rules for Other Stock Unit Awards.* Subject to the requirements of the Plan, including this Section 9.3, the Administrator shall have sole and complete discretion to determine the terms, restrictions, conditions, vesting requirements, and payment rules of an Other Stock Unit Award (collectively, the "Rules"). The Rules for each Other Stock Unit Award shall be set forth in the Award Agreement. Each Other Stock Unit Award need not be subject to identical Rules.

(a) An Other Stock Unit Award shall be subject to vesting conditions established by the Administrator and set forth in the applicable Agreement. Such vesting conditions may be based on any criterion permitted by Section 8.2; provided that, except as provided in Section 10.2 (Acceleration of Vesting), the minimum vesting period required by Section 8.2 shall also apply for Other Stock Unit Awards.

(b) An Other Stock Unit Award may be contingent on the payment of cash consideration by the Participant upon receipt of the Award or provide that the Award, and any Stock or other securities issued in conjunction with the Award, be delivered without the payment of cash consideration.

(c) An Other Stock Unit Award may be subject to a deferred payment schedule, if so set forth in the Agreement.

(d) The Administrator, in its sole and complete discretion, as a result of certain circumstances, including the assumption of, or substitution of stock unit awards of a company with which Avnet or a Subsidiary participates in an acquisition, separation, or similar corporate transaction, may waive or otherwise remove, in whole or in part, any restriction or condition imposed on an Other Stock Unit Award at the time of grant.

ARTICLE 10 ADDITIONAL TERMS AND PROVISIONS

10.1. *Agreements.* Promptly after the granting of any Award or the modification of any outstanding Award, the Administrator shall cause such Participant to be notified of such action and shall cause Avnet to deliver to such Participant an Agreement (which Agreement shall be signed on behalf of Avnet by an officer of Avnet with appropriate authorization therefor) evidencing the Award so granted or modified and the terms and conditions thereof and including (when appropriate) an addendum evidencing the SAR so granted or modified and the terms and conditions thereof.

10.2. *Acceleration of Vesting.* The Administrator, in its sole discretion, may accelerate the vesting of any Award (including the lapsing of the Period of Restriction for Restricted Stock), or remove conditions for vesting (or lapsing of the Period of Restriction) upon a Change in Control or the Participant's death, retirement, layoff, separation from service in connection with a Change in Control, or other separation from service where the Administrator determines that such treatment is appropriate and in the Company's best interests, as well as upon assumption of, or in substitution for equity awards of a company with which Avnet or a Subsidiary participates in an acquisition, separation, merger, or similar corporate transaction; provided, however, that with respect to an Award to a Covered Participant that is intended to qualify as "other performance-based compensation," waiver of performance conditions shall be permitted only to the extent permitted by Revenue Ruling 2008-13 or any successor thereto. In addition, the Administrator may grant awards of Restricted Stock, Restricted Stock Units, and Other Stock Unit Awards that do not satisfy the minimum vesting periods and Periods of Restriction prescribed by Sections 7.3, 8.2, and 9.3(a); provided, however, that the total number of shares of Stock underlying Awards that do not satisfy such minimum vesting periods and Periods of Restriction shall not exceed five percent (5%) of the total number of shares available for grant under the Plan.

10.3. *Tax Withholding.* The Company shall have the right to deduct from all amounts paid to a Participant or beneficiary any taxes required by law to be withheld in respect of Awards under the Plan. In the case of an Award settled in shares of Stock, no shares of Stock shall be issued, and no election under Section 83(b) of the Code shall be accepted, unless and until arrangements satisfactory to the Company have been made to satisfy any applicable withholding tax obligations. Without limiting the generality of the foregoing and subject to such terms and conditions as the Committee may impose, the Company shall have the right to (a) retain shares of Stock or (b) subject to such terms and conditions as the Committee may establish from time to time, allow Participants or beneficiaries to (i) tender shares of Stock (including shares of Stock issuable in respect of an Award) to satisfy, in whole or in part, the amount required to be withheld, or (ii) pay the required withholding amount to Avnet in cash. For purposes of determining the number of shares of Stock required to satisfy a withholding obligation, the Fair Market Value shall be calculated as of the date that the amount to be withheld is determined. A Participant or beneficiary shall pay Avnet cash for any fractional share that would otherwise be required to be withheld. Regardless of the amount withheld, each Participant and beneficiary shall be responsible at all times for paying all federal, state, and local income and employment taxes due with respect to any Award (including taxes due with respect to imputed income), and the Company shall not be responsible for any interest or penalty that a Participant incurs by failing to make timely payments of tax.

10.4. *No Right to Employment.* The Plan shall not confer upon any Participant or other individual any right with respect to continuance of employment by the Company or continuance of membership on the Board of Directors, nor shall it interfere in any way with his right, or the Company's right, to terminate his employment or Board membership at any time.

10.5. *Shareholder Rights.* Except provided in Article 7 with respect to Restricted Stock, no Participant shall acquire or have any rights as a shareholder of Avnet by virtue of any Award until the certificates representing shares of Stock issued pursuant to the Award or the exercise thereof are delivered to such Participant or otherwise recorded in the books and records of Avnet in accordance with the terms of the Plan. Subsequent to such delivery of Stock certificates or recordation in the books and records of Avnet, the recipient of shares of Stock shall have the full rights of a holder of such Stock.

10.6. *Registration of Shares.* It is Avnet's present intention to register under the Securities Act. Avnet shall not be obligated to sell or deliver any shares of Stock pursuant to the granting or exercise of any Award unless and until—

(a) either (i) Avnet has received from its counsel an opinion concluding that such shares need not be registered under the Exchange Act, or (ii) (A) Such shares have been registered under the Securities Act, (B) no stop order suspending the effectiveness of such registration statement has been issued and no proceedings therefor have been instituted or threatened

under said Act, and (C) there is available at the time of such grant and/or exercise a prospectus containing certified financial statements and other information meeting the requirements of Section 10(a)(3) of said Act;

(b) such shares are (or upon official notice of issuance will be) listed on each national securities exchange on which the Stock is then listed;

(c) the prior approval of such delivery has been obtained from any State regulatory body having jurisdiction (but nothing herein contained shall be deemed to require Avnet to register or qualify as a foreign corporation in any State nor, except as to any matter or transaction relating to the sale or delivery of such shares, to consent in service of process in any State); and

(d) if the Committee so requires, Avnet has received an opinion from its counsel with respect to compliance with the matters set forth in subsections (a), (b), and/or (c) of this Section 10.6. In addition, the making of any Award or determination, the delivery or recording of a stock transfer, and payment of any amount due to a Participant may be postponed for such period as Avnet may require, in the exercise of reasonable diligence, to comply with the requirements of any applicable law.

10.7. *Document Requirements.* The Committee may require, as a condition of any payment or share issuance, that certain agreements, undertakings, representations, certificates, and/or information, as the Committee may deem necessary or advisable, be executed or provided to the Company to assure compliance with all applicable laws. Any certificates for shares of Stock delivered under the Plan may be subject to such stock-transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock is then listed, and any applicable federal or state securities law.

10.8. *Deferrals.* The Administrator may allow a Participant to elect to defer receipt of any payment of cash or any delivery of shares of Stock that would otherwise be due to such Participant by virtue of the exercise, earn-out, or settlement of any Award made under the Plan, other than Options or Stock Appreciation Rights. If such election is permitted, the Committee shall establish rules and procedures for such deferrals, including provisions that the Committee or the Participant determines are necessary or advisable to comply with, or avoid being subject to, the requirements of Section 409A of the Code, and provisions for the payment or crediting of dividend equivalents in respect of deferrals credited in units of Stock.

10.9. *Nontransferability.* Except as otherwise provided in Section 7.7, this Section 10.9, or the applicable Agreement, no Award granted under the Plan, and no interests therein, may be sold, transferred, pledged, assigned, exchanged, encumbered or otherwise alienated or hypothecated; and each Award shall be exercisable during the Participant's lifetime only by the Participant or his legal guardian or representative.

(a) An Award may be transferred by testamentary disposition or the laws of descent and distribution.

(b) The Committee shall have sole discretion to approve, and to establish terms and conditions for, a transfer of an Option other than an Incentive Stock Option to (i) the child, step-child, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, including adoptive relationships, and any person sharing the Participant's household (other than a tenant or employee) of the Participant (an "Immediate Family Member"); (ii) a trust in which Immediate Family Members have more than fifty percent of the beneficial interest; (iii) a foundation in which Immediate Family Members or the Employee control the management of the assets; or (iv) any other entity in which Immediate Family Members or the Employee own more than 50% of the voting interests; provided, however, that, without the prior approval of the Committee, no Permitted Transferee shall further transfer an Award, either directly or indirectly, other than by testamentary disposition or the laws of descent and distribution. For example, without prior approval of the Committee, a Permitted Transferee may not transfer an Award by reason of the dissolution of, or a change in the beneficiaries of, a Permitted Transferee that is a trust; the sale, merger, consolidation, dissolution, or liquidation of a Permitted Transferee that is a partnership (or the sale of all or any portion of the partnership interests therein); or the sale, merger, consolidation, dissolution or liquidation of a Permitted Transferee that is a corporation (or the sale of all or any portion of the stock thereof).

(c) The Committee shall have discretion to authorize a transfer pursuant to a domestic relations order; provided, however, that the Committee shall not be required under any circumstance to accept or approve a transfer pursuant to a domestic relations order.

10.10. *Applicable Law and Severability.* The Plan, and its rules, rights, agreements and regulations, shall be governed, construed, interpreted and administered solely in accordance with the laws of the state of New York, without regard to any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction. If any provision of the Plan is held invalid, illegal, or unenforceable, in whole or in part, for any reason, such determination shall not affect the validity, legality or enforceability of any remaining provision, portion of provision or the Plan overall, which shall remain in full force and effect as if such invalid, illegal or unenforceable provision (or portion thereof) had never been included in the Plan.

10.11. *Special Incentive Compensation.* No shares of Stock or other remuneration provided pursuant to an Award shall be included in compensation for purposes of determining the amount payable to any individual under any pension, savings, retirement, life insurance, or other employee benefits arrangement of the Company, unless otherwise determined by the Company.

10.12. *Legends.* In its sole and complete discretion, the Committee may elect to legend certificates representing shares of Stock sold or awarded under the Plan, to make appropriate references to the restrictions imposed on such shares.

10.13. *Section 16(b) of the Exchange Act.* All Agreements for Participants subject to Section 16(b) of the Exchange Act shall be deemed to include any such additional terms, conditions, limitations and provisions as Rule 16b-3 requires, unless the Committee in its discretion determines that any such Award should not be governed by Rule 16b-3. In addition, with respect to persons subject to Section 16(b) of the Exchange Act, transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3. To the extent that any provision of the Plan or any action by the Administrators fails to comply with Rule 16b-3, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

10.14. *Section 162(m) of the Code.* Each Award to a Covered Participant that is contingent upon the achievement of Performance Objectives shall be deemed to include any such additional terms, conditions, limitations, and other provisions as are necessary for such Award to qualify as “other performance-based compensation” within the meaning of Section 162(m)(4)(C) of the Code, unless the Committee in its discretion determines that such Award is not intended to qualify as “other performance-based compensation.” Performance Objectives for each Award granted to a Covered Employee shall be measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, as specified by the Committee in the Agreement. The Performance Objectives for each Award that is intended to qualify as “other performance-based compensation” shall be set forth in writing no later than 90 days after commencement of the period of service (within the meaning of Treas. Reg. § 1.162-27(e)(2)(i)) to which the Performance Objectives relate (or, if sooner, before 25 percent (25%) of such period of service has elapsed), at a time when achievement of the Performance Objectives is substantially uncertain. To the extent permitted by Section 162(m)(4)(C) of the Code, the Committee may adjust performance results to take into account extraordinary, unusual, non-recurring, or non-comparable items, and shall have discretion to reduce the amount due upon attainment of any Performance Objective. No amount shall be paid to a Covered Employee pursuant to an Award that is contingent upon the achievement of Performance Objectives unless and until the Committee has certified that the Performance Objectives have been satisfied. To the extent required by Section 162(m) of the Code, canceled Awards shall continue to be counted against the limit set forth in Section 3.2 on shares of Stock available for Awards.

10.15. *Section 409A of the Code.* The Plan, any Award granted under the Plan, and all Agreements evidencing such Awards, shall be interpreted, administered, and construed consistent with the intent that (a) all options, SARs, and comparable awards shall be exempt from Section 409A of the Code by reason of the exemption for certain stock rights set forth in Treas. Reg. § 1.409A-1(b)(5); (b) all Awards of Restricted Stock shall be exempt from Section 409A of the Code by reason of the exemption for restricted property governed by Section 83 of the Code set forth in Treas. Reg. § 1.409A-1(b)(6); (c) all Restricted Stock Unit Awards shall be exempt from Section 409A of the Code by reason of the “short-term deferral rule” set forth in Treas. Reg. § 1.409A-1(b)(4); and (d) and all Other Stock Unit Awards shall be exempt from Section 409A of the Code by reason of one of the provisions referenced in clause (a), (b), or (c), except (with respect to each type of Award) to the extent that the applicable Agreement clearly sets forth an intent to provide for nonqualified deferred compensation that is subject to the requirements of Section 409A.

10.16. *Application of Proceeds.* The proceeds received by the Company from the sale of Shares under the Plan shall be used for general corporate purposes.

10.17. *Rules of Construction.* Whenever used in the Plan, (a) words in the masculine gender shall be deemed to refer to females as well as to males; (b) words in the singular shall be deemed to refer also to the plural; (c) the word “include” shall mean “including but not limited to”; (d) references to a statute or regulation or statutory or regulatory provision shall refer to that provision (or to a successor provision of similar import) as currently in effect, as amended, or as reenacted, and to any regulations and other formal guidance of general applicability issued thereunder; and (e) references to a law shall include any statute, regulation, rule, court case, or other requirement established by an exchange or a governmental authority or agency, and applicable law shall include any tax law that imposes requirements in order to avoid adverse tax consequences.

10.18. *Headings and Captions.* The headings and captions in this Plan document are provided for reference and convenience only, shall not be considered part of the Plan, and shall not be employed in the construction of the Plan.

10.19. *Effective Date.* The Plan shall become effective on the date the Plan is approved by Avnet’s shareholders.

ARTICLE 11
ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

11.1. *Share Adjustments.* If the Stock is split, divided, or otherwise reclassified into or exchanged for a greater or lesser number of shares of Stock or into shares of Stock and/or any other securities of Avnet by reason of recapitalization, reclassification, stock split or reverse split, combination of shares or other reorganization, the term "Stock" as used herein shall thereafter mean the number and kind of shares or other securities into which the Stock shall have been so split, divided or otherwise reclassified or for which the Stock shall have been so exchanged; and the remaining number of shares of Stock which may, in the aggregate, thereafter be delivered pursuant to the grant or exercise of an Award and the remaining number of shares of Stock which may thereafter be delivered pursuant to the exercise of any Options and/or Stock Appreciation Rights then outstanding, shall be correspondingly adjusted. If a dividend payable in shares of Stock is paid to the holders of outstanding shares of Stock, the remaining number of shares of Stock which may, in the aggregate, thereafter be delivered pursuant to the exercise or grant of Awards, and the remaining number of shares of Stock that may thereafter be delivered pursuant to the exercise of any Awards then outstanding shall be increased by the percentage that the number of shares of Stock so paid as a dividend bears to the total number of shares of Stock outstanding immediately before the payment of such dividend. If an extraordinary cash dividend is paid to the holders of outstanding shares of Stock, the remaining number of shares of Stock that may, in the aggregate, thereafter be delivered pursuant to the exercise or grant of Awards and the remaining number of shares of Stock that may thereafter be delivered pursuant to the exercise of any Awards then outstanding, shall be equitably adjusted by the Committee.

11.2. *Exercise Price Adjustments.* If the Stock is split, divided or otherwise reclassified or exchanged, or that any dividend payable in shares of Stock or extraordinary cash dividend is paid to the holders of outstanding shares of Stock, in each case, as provided in the preceding paragraph, the purchase price per share of Stock upon exercise of outstanding Options, and the aggregate number of shares of Stock with respect to which Awards may be granted to any Participant in any calendar year, shall be correspondingly adjusted.

11.3. *Fractional Shares.* Notwithstanding any other provision of this Article 11, if upon any adjustment made in accordance with Section 11.1 above, the remaining number of shares of Stock which may thereafter be delivered pursuant to the exercise of any Award then outstanding shall include a fractional share of Stock, such fractional share of Stock shall be disregarded for all purposes of the Plan and the Optionee holding such Award shall become entitled neither to purchase the same nor to receive cash or scrip in payment therefor or in lieu thereof.

ARTICLE 12
AMENDMENT OR TERMINATION OF THE PLAN

12.1. The Plan shall automatically terminate on November 4, 2020, unless it is sooner terminated pursuant to Section 12.2, below. No Award shall be granted after the Plan terminates. All Awards granted before the Plan terminates shall continue in effect thereafter in accordance with the terms of the applicable Agreements and the Plan.

12.2. *Reservation of Rights.* The Board of Directors may amend or terminate the Plan at any time as the Board may deem advisable and in the best interests of Avnet; provided, however, that the terms of an outstanding Award shall not be changed without written consent of the Participant and, unless approved by the affirmative vote of a majority of the votes cast at a meeting of the shareholders of Avnet duly called and held for that purpose, no amendment to the Plan shall be adopted which shall (a) affect the composition or functioning of the Committee; (b) increase the aggregate number of shares of Stock that may be delivered pursuant to the exercise of Awards; (c) increase the aggregate number of shares of Stock with respect to which Options or other Awards may be granted to any Participant during any calendar year; (d) decrease the minimum purchase price per share of Stock (in relation to the Fair Market Value thereof at the respective dates of grant) upon the exercise of Options; or (e) extend the ten-year maximum period within which an Award is exercisable or the termination date of the Plan.

Avnet, Inc.
Computation of Ratios of Earnings to Fixed Charges

	Fiscal Years Ended				
	June 30, 2018	July 1, 2017	July 2, 2016	June 27, 2015	June 28, 2014
	(in thousands)				
Earnings:					
Income from continuing					
Operations before tax	145,077	310,404	478,013	571,511	529,952
Add fixed charges	127,527	130,629	114,170	111,318	117,970
Total Earnings	272,604	441,033	592,183	682,829	647,922
Fixed charges:					
Interest on indebtedness including					
amortization of debt expense	102,525	106,691	91,936	87,080	91,206
Interest component of rent expense	25,002	23,938	22,234	24,238	26,764
Total fixed charges	127,527	130,629	114,170	111,318	117,970
	2.1	3.4	5.2	6.1	5.5

Avnet, Inc.

Foreign and Domestic Subsidiaries

Company Name	Country
Abacus Group Limited	United Kingdom
Alpha 3 Manufacturing Ltd	United Kingdom
AVID Technologies, Inc.	United States
Avnet (Asia Pacific Holdings) Limited	Hong Kong
Avnet (Holdings) Ltd	United Kingdom
Avnet (NZ)	New Zealand
Avnet (Shanghai) Limited	China
Avnet Abacus Limited	Hong Kong
Avnet Asia Pte Ltd	Singapore
Avnet ASIC Israel Ltd	Israel
Avnet B.V.	Netherlands
Avnet Bidco Limited	United Kingdom
Avnet Components Israel Limited	Israel
Avnet Delaware Holdings, Inc.	United States
Avnet Delaware LLC	United States
Avnet do Brasil Ltda.	Brazil
Avnet Electronics Marketing (Australia) Pty Ltd	Australia
Avnet Electronics Technology (China) Limited	China
Avnet Electronics Technology (Shenzhen) Limited	China
Avnet Electronics Turkey İthalat İhracat Sanayi ve Ticaret Limited Şirketi	Turkey
Avnet EM	Russian Federation
Avnet EM Holdings (Japan) Kabushiki Kaisha	Japan
Avnet EM Sp. z.o.o.	Poland
Avnet EMG AG	Switzerland
Avnet EMG Elektronische Bauelemente GmbH	Austria
Avnet EMG France	France
Avnet EMG GmbH	Germany
Avnet EMG Italy S.r.l.	Italy
Avnet EMG Ltd	United Kingdom
Avnet Erste Verwaltungs GmbH	Germany
Avnet Europe Comm. VA	Belgium
Avnet Europe Executive BVBA	Belgium
Avnet Finance B.V.	Netherlands
Avnet Finance International S.à r.l.	Luxembourg
Avnet Finance S.à r.l.	Luxembourg
Avnet Financial Services Asia Limited	Hong Kong
Avnet France S.A.S.	France
Avnet Group Holdings Limited	United Kingdom
Avnet Holding Europe BVBA	Belgium
Avnet Holding Germany GmbH	Germany

Avnet Holding South Africa (Pty) Limited	South Africa
Avnet Holdings UK Limited	United Kingdom
Avnet Holdings, LLC	United States
Avnet Iberia S.A.	Spain
Avnet India Private Limited	India
Avnet International Holdings 1 BVBA	Belgium
Avnet International (Canada) Ltd.	Canada
Avnet International Holdings 2 BVBA	Belgium
Avnet International Holdings UK Limited	United Kingdom
Avnet International, LLC	United States
Avnet Japan (Asia) Limited	Singapore
Avnet Japan (Thailand) Co., Ltd.	Thailand
Avnet Kabushiki Kaisha	Japan
Avnet Korea, Inc.	Korea, Republic of
Avnet Limited	Ireland
Avnet Logistics B.V.B.A.	Belgium
Avnet Logistics GmbH	Germany
Avnet Logistics Limited	United Kingdom
Avnet Logistics Stutensee GmbH	Germany
Avnet Malaysia Sdn Bhd	Malaysia
Avnet Nortec A/S	Denmark
Avnet Nortec AB	Sweden
Avnet Nortec AS	Norway
Avnet Nortec Oy	Finland
Avnet Philippines Pty Ltd., Inc.	Philippines
Avnet Receivables Corporation	United States
Avnet Schweiz GmbH	Switzerland
Avnet SellCo B.V.	Netherlands
Avnet South Africa (Pty) Limited	South Africa
Avnet Sunrise Limited	Hong Kong
Avnet Technology (Thailand) Ltd.	Thailand
Avnet Technology Electronics Marketing (Taiwan) Co., Ltd.	Taiwan
Avnet Technology Hong Kong Limited	Hong Kong
Avnet Technology Solutions (China) Ltd	China
Avnet Technology Solutions (Tianjin) Ltd	China
Avnet Technology Solutions B.V. (Sold 02/27/2017)	Netherlands
Avnet, Inc.	United States
AVT Holdings LLC	United States
Beijing Vanda Yunda IT Services Co., Ltd	China
Bell Microproducts Brazil Holdings, LLC	United States
Bell Microproducts Mexico Shareholder, LLC	United States
CELDIS LIMITED	United Kingdom
CM Satellite Systems, Inc.	United States
COMBINED PRECISION COMPONENTS LIMITED	United Kingdom
Dragon Innovation (HK) Limited	Hong Kong
Dragon Innovation Consulting (Shenzhen) Company Limited	China
EBV Beteiligungs-Verwaltungs GmbH	Germany
EBV Elektronik ApS	Denmark

EBV Elektronik d.o.o.	Serbia
EBV Elektronik EOOD	Bulgaria
EBV Elektronik GmbH & Co. KG	Germany
EBV Elektronik International GmbH	Germany
EBV Elektronik Kft	Hungary
EBV Elektronik Limited	Hong Kong
EBV Elektronik M	Russian Federation
EBV Elektronik Maatschap (Dissolved 04/15/2013)	Belgium
EBV Elektronik OÜ	Estonia
EBV Elektronik S.r.l.	Italy
EBV Elektronik S.R.L.	Romania
EBV Elektronik s.r.o.	Slovakia
EBV Elektronik SAS	France
EBV Elektronik sp. z o.o.	Poland
EBV Elektronik Spain S.L.	Spain
EBV Elektronik spol. s r.o.	Czech Republic
EBV Elektronik Ticaret Limited Sirketi	Turkey
EBV Elektronik TOV	Ukraine
EBV Elektronik, Druzba Za Posredovanje D.O.O.	Slovenia
EBV Elektronik, Unipessoal Lda,	Portugal
EBV Erste Holding GmbH & Co. KG	Germany
EBV Management GmbH	Germany
EBV Zweite Holding GmbH & Co. KG	Germany
EBV-Elektronik GmbH	Austria
Electrolink (PTY) Ltd	South Africa
Electron House (Overseas) Limited	United Kingdom
element 14 Limited	United Kingdom
element 14 sp. zoo	Poland
element14 Asia Pte. Ltd.	Singapore
element14 Co., Ltd.	Thailand
Element14 de Mexico, S. de R.L de C.V	Mexico
element14 Electronics Limited	Ireland
Element14 Finance UK Limited	United Kingdom
element14 Holding BV	Netherlands
element14 India Pvt Limited	India
element14 Limited	Hong Kong
element14 Limited	New Zealand
element14 Ltd.	Korea, Republic of
element14 Pte. Ltd.	Singapore
element14 Pty Ltd	Australia
element14 SDN. BHD.	Malaysia
Element14 US Holdings Inc.	United States
Element14 US Holdings LLC	United States
ELEMENT14. S. de R.L. de C.V	Mexico
eluumeng Electronics (China) Co. Ltd	China
ELUOMENG LIMITED	Hong Kong
ELUOMENG LIMITED COMPANY	Taiwan
Erste TENVA Property GmbH Gruber Straße	Germany

FARNELL (BELGIUM) N.V.	Belgium
FARNELL (FRANCE) SAS	France
FARNELL (NETHERLANDS) B.V.	Netherlands
FARNELL AG	Switzerland
FARNELL COMPONENTS (IRELAND) LIMITED	Ireland
FARNELL COMPONENTS (ISRAEL) LTD	Israel
FARNELL COMPONENTS AB	Sweden
FARNELL COMPONENTS SL	Spain
FARNELL DANMARK A/S	Denmark
FARNELL ELECTRONIC COMPONENTS LIMITED	United Kingdom
FARNELL GMBH	Germany
FARNELL HOLDING LIMITED	United Kingdom
FARNELL ITALIA SRL	Italy
FARNELL OVERSEAS	United Kingdom
ICATI Beteiligungs-Verwaltungs GmbH	Germany
ICATI Verwaltungs GmbH	Germany
Import Holdings LLC	United States
INONE HOLDINGS LIMITED	United Kingdom
Kent One Corporation	United States
MCM ELECTRONICS, INC.	United States
Memec (NZ) Limited	New Zealand
Memec Group Holdings Limited	United Kingdom
Memec Group Limited	United Kingdom
Memec Holdings Limited	United Kingdom
Memec Pty Limited	Australia
Mexico Holdings LLC	United States
Microcomputers Systems Components Nederland B.V.	Netherlands
MSC (Malta) Limited	Malta
MSC Technologies GmbH	Germany
MSC Technologies Systems GmbH	Germany
NEWARK CORPORATION	United States
NEWARK ELECTRONICS CORPORATION	United States
OY FARNELL (FINLAND) AB	Finland
PREMIER FARNELL (SCOTLAND) LIMITED	United Kingdom
PREMIER FARNELL CANADA LIMITED	Canada
PREMIER FARNELL CORP.	United States
PREMIER FARNELL FINANCE LIMITED	Ireland
PREMIER FARNELL HOLDING INC.	United States
PREMIER FARNELL LIMITED	United Kingdom
PREMIER FARNELL PENSION FUNDING SCOTTISH LIMITED PARTNERSHIP	United Kingdom
PREMIER FARNELL PENSION TRUSTEES LIMITED	United Kingdom
PREMIER FARNELL PROPERTIES INC.	United States
PREMIER FARNELL UK LIMITED	United Kingdom
PREMIER INDUSTRIAL HOLLAND B.V.	Netherlands
Pride Well Limited	Virgin Islands, British
RTI Holdings Limited	Hong Kong
SEC International Holding Company II, L.L.C.	United States
Shanghai FR International Trading Co., Ltd.	China

SHENZHEN EMBEST TECHNOLOGY CO., LTD.	China
Société Civile Immobilière du 22 rue de Dames	France
Source Electronics (HK) Limited	Hong Kong
Source Electronics (Shanghai) Limited	China
Source Electronics Asia Limited	Hong Kong
Tekdata Interconnections Limited	United Kingdom
Telmil Electronics, Inc.	United States
Tenva Belgium Comm. VA	Belgium
Tenva Financial Management B.V.B.A.	Belgium
Tenva Group Holdings Europe Limited	United Kingdom
Tenva Properties BVBA	Belgium
Thomas Kaubisch GmbH	Germany
Vanda Computer System Integration (Shanghai) Company Limited	China
Venezuelan Partner B.V.	Netherlands
YEL Electronics (China) Limited	Hong Kong
YEL Electronics (Shanghai) Limited	China
YEL Electronics (Shenzhen) Ltd	China
YEL Electronics Hong Kong Limited	Hong Kong
ZWEITE TENVA Property GmbH Im Technologiepark	Germany

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Avnet, Inc.:

We consent to the incorporation by reference in the registration statement Nos. 333-45267, 333-112062, 333-140903, 333-171291, 333-177787, 333-192289, 333-214887, and 333-220133 on Form S-8 and 333-208009 on Form S-3 of Avnet, Inc. of our report dated August 17, 2018, with respect to the consolidated balance sheets of Avnet, Inc. and subsidiaries as of June 30, 2018 and July 1, 2017, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended June 30, 2018, and the related notes and financial statement schedule (collectively, the "consolidated financial statements"), and the effectiveness of internal control over financial reporting as of June 30, 2018, which report appears in the June 30, 2018 annual report on Form 10-K of Avnet, Inc.

/s/ KPMG LLP

Phoenix, Arizona
August 17, 2018

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, William J. Amelio, certify that:

1. I have reviewed this annual report on Form 10-K of Avnet, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as such term is 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(s) 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 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: August 17, 2018

/s/ WILLIAM J. AMELIO

William J. Amelio

Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Thomas Liguori, certify that:

1. I have reviewed this annual report on Form 10-K of Avnet, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as such term is 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(s) 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 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: August 17, 2018

/s/ THOMAS LIGUORI

Thomas Liguori
Chief Financial Officer

**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)**

In connection with the Annual Report on Form 10-K for the year ended June 30, 2018 (the "Report"), I, William J. Amelio, Chief Executive Officer of Avnet, Inc. (the "Company") hereby certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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: August 17, 2018

/s/ WILLIAM J. AMELIO

William J. Amelio

Chief Executive Officer

**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)**

In connection with the Annual Report on Form 10-K for the year ended June 30, 2018 (the "Report"), I, Thomas Liguori, Chief Financial Officer of Avnet, Inc. (the "Company") hereby certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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: August 17, 2018

/s/ THOMAS LIGUORI

Thomas Liguori
Chief Financial Officer
