

AVNET INC  
Form DEF 14A  
September 24, 2010

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549  
SCHEDULE 14A  
(Rule 14a-101)**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**AVNET, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**Table of Contents**

**AVNET, INC.**

**NOTICE OF 2010 ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held Friday, November 5, 2010**

TO ALL SHAREHOLDERS OF AVNET, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of AVNET, INC., a New York corporation ( Avnet ), will be held at the Avnet, Inc. Corporate Headquarters, 2211 South 47th Street, Phoenix, Arizona 85034 on Friday, November 5, 2010, at 7:30 a.m., Mountain Standard Time, for the following purposes:

1. To elect the nine (9) director nominees named in the attached proxy statement to serve until the next annual meeting and until their successors have been elected and qualified.
2. To approve the Avnet 2010 Stock Compensation Plan.
3. To ratify the appointment of KPMG LLP as the independent registered public accounting firm to audit the consolidated financial statements of Avnet for the fiscal year ending July 2, 2011.
4. To take action with respect to such other matters as may properly come before the Annual Meeting (including postponements and adjournments.)

The Board of Directors has fixed the close of business on September 8, 2010 as the record date for the Annual Meeting. Only holders of record of shares of Avnet s Common Stock at the close of business on such date shall be entitled to notice of and to vote at the Annual Meeting or any adjournment thereof.

By Order of the Board of Directors

Jun Li  
*Secretary*

September 24, 2010

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**TABLE OF CONTENTS**

<u>Notice of Internet Availability of Proxy Materials</u>	i
<u>Proxy Statement</u>	1
<u>Proxy and Revocation of Proxy</u>	1
<u>Quorum and Voting</u>	2
<u>Broker Voting</u>	2
<u>Required Vote</u>	2
<u>Corporate Governance</u>	3
<u>Corporate Governance Guidelines</u>	3
<u>Director Independence</u>	3
<u>Director Nominations</u>	4
<u>Director Communications</u>	6
<u>Code of Conduct</u>	6
<u>Reporting of Ethical Concerns</u>	7
<u>Lead Director</u>	7
<u>Executive Sessions</u>	7
<u>Stock Ownership Guidelines</u>	7
<u>Avnet Website</u>	8
<u>The Board of Directors and its Committees</u>	9
<u>Audit Committee</u>	9
<u>Compensation Committee</u>	9
<u>Corporate Governance Committee</u>	10
<u>Finance Committee</u>	10
<u>Executive Committee</u>	10
<u>The Board's Role in Risk Oversight</u>	10
<b><u>Proposal 1 Election of Directors</u></b>	12
<u>Audit Committee Report</u>	15
<u>Principal Accounting Firm Fees</u>	16
<u>Beneficial Ownership of Common Stock by Management and Others</u>	17
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	18
<u>Executive Officers of the Company</u>	19
<u>Compensation Committee Report</u>	20
<u>Compensation Discussion and Analysis</u>	20
<u>Overview of Compensation Actions for Fiscal 2010</u>	21
<u>Compensation Philosophy and Objectives</u>	21
<u>Overview of Avnet's Executive Compensation Practices</u>	22
<u>Components of Executive Compensation</u>	26
<u>Employee and Post-Employment Benefits</u>	31
<u>D&amp;O Insurance</u>	32
<u>Deductibility of Executive Compensation</u>	32
<u>Compensation of Avnet Executive Officers</u>	33
<u>Director Compensation</u>	43
<b><u>Proposal 2 Approval of the Avnet 2010 Stock Compensation Plan</u></b>	46
<b><u>Proposal 3 Ratification of Appointment of Independent Registered Public Accounting Firm</u></b>	53
<u>General</u>	53
<u>2011 Annual Meeting</u>	53
<u>Delivery of Documents to Security Holders</u>	54



**Table of Contents**

**NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS**

**AVNET, INC.  
2211 South 47th Street  
Phoenix, AZ 85034**

**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on November 5, 2010**

**Our Proxy Statement and Annual Report on Form 10-K are available at <http://www.ir.avnet.com>**

The Annual Meeting of Shareholders of AVNET, INC. will be held at the Avnet, Inc. Corporate Headquarters, 2211 South 47th Street, Phoenix, Arizona 85034 on Friday, November 5, 2010, at 7:30 a.m., Mountain Standard Time.

At the meeting you will be asked to elect nine director nominees named in the proxy statement, approve the Avnet 2010 Stock Compensation Plan and ratify the appointment of KPMG LLP as the independent registered public accounting firm for the 2011 fiscal year. The Company's Board of Directors is asking for your support and a FOR vote on each of these proposals.

This year we are again using the U.S. Securities and Exchange Commission rule that allows companies to furnish proxy materials to their shareholders primarily over the Internet. We believe that this process should expedite shareholders' receipt of proxy materials, lower the costs of our annual meeting, and help to conserve natural resources. It is anticipated that the Notice of Internet Availability of Proxy Materials will be available to shareholders on or about September 22, 2010 containing instructions on how to access our 2010 Proxy Statement and 2010 Annual Report and vote online. The notice will also include instructions on how to receive a paper copy of your annual meeting materials, including the notice of annual meeting, proxy statement, annual report on Form 10-K and proxy card. If you received your annual meeting materials by mail, the notice of annual meeting, proxy statement, and proxy card from our Board of Directors were enclosed. If you received your annual meeting materials via e-mail, the e-mail contained voting instructions and links to the annual report and the proxy statement on the Internet, which are both available at <http://www.ir.avnet.com>.

**DIRECTIONS TO THE ANNUAL MEETING**

From Phoenix Sky Harbor International Airport:  
Go East on East Sky Harbor Boulevard  
Turn slight left to stay on East Sky Harbor Boulevard  
Merge onto AZ-153 South toward East Exit AZ-143/I-10  
Merge onto East University Drive via Exit 1 toward I-10/AZ-143  
Turn left onto South 47th Street  
Turn right to stay on South 47th Street  
Avnet Corporate Headquarters is on the left  
Parking is available in the front of the building  
Proceed to lobby

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**Table of Contents**

**AVNET, INC.  
2211 South 47th Street  
Phoenix, Arizona 85034**

**PROXY STATEMENT  
Dated September 22, 2010**

**FOR ANNUAL MEETING OF SHAREHOLDERS  
To Be Held November 5, 2010**

This Proxy Statement is being furnished in connection with the solicitation of proxies by the Board of Directors of Avnet, Inc. ( "Avnet" or the "Company" ) to be voted at the annual meeting of shareholders to be held at Avnet's Corporate Headquarters, 2211 South 47th Street, Phoenix, Arizona 85034 on November 5, 2010, and at any and all postponements or adjournments thereof (the "Annual Meeting" ), with respect to the matters referred to in the accompanying notice. The approximate date on which this Proxy Statement and the enclosed form of proxy are first being sent or given to shareholders is September 22, 2010. Only holders of record of outstanding shares of Common Stock (as defined below) at the close of business on September 8, 2010, the record date, are entitled to notice of and to vote at the Annual Meeting. Each shareholder is entitled to one vote per share held on the record date. The aggregate number of shares of Common Stock outstanding (net of treasury shares) at September 8, 2010 was 151,959,040, comprising all of Avnet's capital stock outstanding as of that date.

Proxies for shares of Avnet Common Stock, par value \$1.00 per share (the "Common Stock" ), may be submitted by completing and mailing the proxy card that accompanies this Proxy Statement or by submitting your proxy voting instructions by telephone or through the Internet. Shareholders who hold their shares through a broker, bank or other nominee should contact their nominee to determine whether they may submit their proxy by telephone or Internet. Shares of Common Stock represented by a proxy properly signed or submitted and received at or prior to the Annual Meeting will be voted in accordance with the shareholder's instructions. If a proxy card is signed, dated and returned without indicating any voting instructions, shares of Common Stock represented by the proxy will be voted **FOR** each of Proposals 1, 2 and 3. The Board of Directors is not currently aware of any business to be acted upon at the Annual Meeting other than as described herein. If, however, other matters are properly brought before the Annual Meeting, the persons appointed as proxies will have discretion to vote according to their best judgment, unless otherwise indicated on any particular proxy. The persons appointed as proxies will have discretion to vote on adjournment of the Annual Meeting. Proxies will extend to, and be voted at, any adjournment or postponement of the Annual Meeting to the extent permitted under the Business Corporation Law of the State of New York.

**Proxy and Revocation of Proxy**

Any person who signs and returns the enclosed proxy or properly votes by telephone or Internet may revoke it by submitting a written notice of revocation or a later dated proxy that is received by Avnet prior to the Annual Meeting, or by voting in person at the Annual Meeting. However, a proxy will not be revoked by simply attending the Annual Meeting and not voting. All written notices of revocation and other communications with respect to revocation by



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Avnet shareholders should be addressed as follows: Secretary, Avnet, Inc., 2211 South 47th Street, Phoenix, Arizona 85034. To revoke a proxy previously submitted by telephone or Internet, a shareholder of record can simply vote again at a later date, using the same procedures, in which case the later submitted vote will be recorded and the earlier vote will thereby be revoked. Please note that any shareholder whose shares are held of record by a broker, bank or other nominee and who provides voting instructions on a form received from the nominee may revoke or change his or her voting instructions only by contacting the nominee who holds his or her shares. Such shareholders may not vote in person at the Annual Meeting unless the shareholder obtains a legal proxy from the broker, bank or other nominee.

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## **Table of Contents**

### **Quorum and Voting**

The presence at the Annual Meeting, in person or by proxy, of the shareholders of record entitled to cast at least a majority of the votes that all shareholders are entitled to cast is necessary to constitute a quorum. Each vote represented at the Annual Meeting in person or by proxy will be counted toward a quorum. If a quorum should not be present, the Annual Meeting may be adjourned from time to time until a quorum is obtained.

### **Broker Voting**

Brokers holding shares of record for a customer have the discretionary authority to vote on some matters if they do not receive timely instructions from the customer regarding how the customer wants the shares voted. There are also some matters ( non-discretionary matters ) with respect to which brokers do not have discretionary authority to vote if they do not receive timely instructions from the customer. When a broker does not have discretion to vote on a particular matter and the customer has not given timely instructions on how the broker should vote, then what is referred to as a broker non-vote results. Any broker non-vote would be counted as present at the meeting for purposes of determining a quorum, but would be treated as not entitled to vote with respect to non-discretionary matters. Therefore, a broker non-vote would not count as a vote in favor of or against such matters and, accordingly, would not affect the outcome of the vote. Brokers will have discretionary authority to vote on Proposal 3 in the absence of timely instructions from their customers. In July 2009, the Securities and Exchange Commission approved an amendment to New York Stock Exchange Rule 452 which added the election of directors to the list of non-routine matters as to which brokers may not exercise any voting discretion. This rule change is effective for shareholder meetings held on or after January 1, 2010, and will be in effect for this year's Annual Meeting.

### **Required Vote**

#### *Proposal 1*

To be elected, each director nominee must receive the affirmative vote of a plurality of the votes of the Common Stock present or represented at the Annual Meeting and entitled to vote. Votes may be cast in favor of or withheld with respect to each nominee. Votes that are withheld will be counted toward a quorum, but will be excluded entirely from the tabulation of votes for the election of directors and, therefore, will not affect the outcome of the vote on such election. However, Avnet's Corporate Governance Guidelines (the Guidelines ) require that, in an uncontested election, any director nominee who receives a greater number of votes withheld than votes for in the election must promptly submit a letter of resignation to the Board following the certification of the shareholder election results. The Guidelines specify the procedures that the Board of Directors must follow in such event and the time frame within which the Board must determine and publicly announce the results of its deliberation.

#### *Proposal 2*

Approval of the Avnet 2010 Stock Compensation Plan requires the affirmative vote of the holders of a majority of the Common Stock present or represented at the Annual Meeting and entitled to vote, provided that the total vote cast represents over 50% in interest of all securities entitled to vote on the proposal. Abstentions and broker non-votes are not counted in determining the votes cast in connection with the approval of the Avnet 2010 Stock Compensation Plan, but do have the effect of reducing the number of affirmative votes required to achieve a majority for this matter by reducing the total number of shares from which the majority is calculated. Because broker non-votes are not counted as votes cast under the New York Stock Exchange approval requirements, they could have an impact on satisfaction of the requirement that the total votes cast on this proposal represent over 50% in interest of all securities

present or represented and entitled to vote on the proposal.

## **Table of Contents**

### *Proposal 3*

Ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2011 requires the affirmative vote of the holders of a majority of the Common Stock present or represented at the meeting and entitled to vote. Abstentions are not counted in determining the votes cast in connection with the ratification of the appointment of KPMG LLP, but do have the effect of reducing the number of affirmative votes required to achieve a majority for this matter by reducing the total number of shares from which the majority is calculated.

## **Voting Results**

We will announce preliminary results at the annual meeting. We will report final results in a filing with the U.S. Securities and Exchange Commission (SEC) on Form 8-K.

## **CORPORATE GOVERNANCE**

Avnet is committed to good corporate governance practices. This commitment is not new—the Company has developed and evolved its corporate governance practices over many years. The Board of Directors believes that good corporate governance practices provide an important framework that promotes long-term value, strength and stability for shareholders.

### **Corporate Governance Guidelines**

The Corporate Governance Guidelines collect in one document many of the corporate governance practices and procedures that had evolved at Avnet over the years. Among other things, the Guidelines address the duties of the Board of Directors, director qualifications and selection process, director compensation, Board operations, Board committee matters and director orientation and continuing education. The Guidelines also provide for annual self-evaluations by the Board and its committees. The Board reviews the Guidelines on an annual basis, most recently at its regularly scheduled meeting in May 2010. The Guidelines are available on the Company's website at [www.ir.avnet.com/documents.cfm](http://www.ir.avnet.com/documents.cfm)

As a general policy, as set forth in the Corporate Governance Guidelines, the Board recommends certain limits as to the service of directors on other boards of public companies. These limits are as follows: (1) the Company's Chairman of the Board and Chief Executive Officer may serve on up to two additional boards; (2) Directors who are actively employed on a full-time basis may serve on up to two additional boards; and (3) Directors who are retired from active full-time employment may serve on up to five additional boards.

### **Director Independence**

The Board of Directors believes that a substantial majority of its members should be independent directors. The Board adopted the following Director Independence Standards, which are consistent with criteria established by the New York Stock Exchange, to assist the Board in making these independence determinations.

No Director can qualify as independent if he or she has a material relationship with the Company outside of his or her service as a Director of the Company. A Director is not independent if:

The Director is, or was within the preceding three years, an employee of the Company.

An immediate family member of the Director is, or was within the preceding three years, an executive officer of the Company.

(a) The Director, or an immediate family member of the Director, is a current partner of the Company's internal or external auditor; (b) the Director is a current employee of the Company's internal or external auditor; (c) an immediate family member of the Director is a current employee of the Company's internal or external auditor who participates in the firm's audit, assurance or tax

**Table of Contents**

compliance (but not tax planning) practice; or (d) the Director, or an immediate family member of the Director, was within the last three years, a partner or employee of the Company's internal or external auditor and personally worked on the Company's audit within that time.

A Director, or an immediate family member of the Director, has received, during any 12-month period within the preceding three years, more than \$120,000 in direct compensation from the Company, other than Director and committee fees and pension or other forms of deferred compensation for prior services (provided such compensation is not contingent in any way on continued service).

The Director, or an immediate family member of the Director, is, or was within the preceding three years, employed as an executive officer of another company where any of the Company's present executive officers serves or served at the same time on the compensation committee of that company's board of directors.

The Director is a current executive officer or employee, or an immediate family member of the Director is a current executive officer, of another company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the preceding three fiscal years, exceeded the greater of \$1 million or two percent (2%) of such other company's consolidated gross revenues.

The Director, or an immediate family member of the Director, is a current executive officer of another company that was indebted to the Company, or to which the Company was indebted within the preceding three years, where the total amount of either company's indebtedness to the other was more than five percent (5%) of the total consolidated assets of the company he or she served as an executive officer.

The Director, or an immediate family member of the Director, is a current officer, director or trustee of a charitable organization where the Company's annual discretionary charitable contributions to the charitable organization exceeded the greater of \$1 million or five percent (5%) of that organization's consolidated gross revenues.

The Board has reviewed all known material transactions and relationships between each Director, or any member of his or her immediate family, and the Company, its senior management and its independent registered public accounting firm. Based on this review and in accordance with its independence standards set forth above, the Board has affirmatively determined that all of the non-employee directors—Eleanor Baum, J. Veronica Biggins, Lawrence W. Clarkson, Ehud Houminer, Frank R. Noonan, Ray M. Robinson, William H. Schumann, III, William P. Sullivan and Gary L. Tooker—are independent (Independent Directors).

**Director Nominations**

The Corporate Governance Committee is responsible for identifying, screening and recommending candidates for election to the Company's Board of Directors. The Committee reviews the business experience, education and skills of candidates as well as character and judgment. Although the Corporate Governance Committee does not have a formal policy concerning diversity, the charter of the corporate Governance Committee includes a statement that it considers diversity as an important factor for service on the Board and reviews factors such as age, gender, race and culture. These factors, and others considered useful by the Board, are reviewed in the context of an assessment of the perceived needs of the Board at a particular point in time. Directors must also possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of all shareholders. Board members are expected to diligently prepare for, attend and participate in all Board and applicable Committee meetings. Each Board member is expected to see that other existing and future commitments do not materially interfere with the member's service as a Director.



## **Table of Contents**

The Corporate Governance Committee also reviews whether a potential candidate will meet the Board's Independence Standards and any other director or committee membership requirements imposed by law, regulation or stock exchange rules.

Director candidates recommended by the Corporate Governance Committee are subject to full Board approval and subsequent election by the shareholders. The Board of Directors is also responsible for electing directors to fill vacancies on the Board that occur due to retirement, resignation, expansion of the Board or other events occurring between the shareholders' annual meetings. The Corporate Governance Committee may retain a search firm, from time to time, to assist in identifying and evaluating director candidates. When a search firm is used, the Committee provides specified criteria for director candidates, tailored to the needs of the Board at that time, and pays the firm a fee for these services. Recommendations for director candidates are also received from Board members and management and may be solicited from professional associations as well.

The Corporate Governance Committee will consider recommendations of director candidates received from shareholders on the same basis as recommendations of director candidates received from other sources. The director selection criteria discussed above will be used to evaluate all recommended director candidates. Shareholders who wish to suggest an individual for consideration for election to the Company's Board of Directors may submit a written recommendation to the Corporate Governance Committee by sending it to: Secretary, Avnet, Inc., 2211 South 47th Street, Phoenix, Arizona 85034. Shareholder recommendations must contain the following information:

The shareholder's name, address, number of shares of Avnet Common Stock beneficially owned and, if the shareholder is not a record shareholder, evidence of beneficial ownership,

A statement in support of the director candidate's recommendation,

The director candidate's detailed biographical information describing experience and qualifications, including current employment and a list of any other boards of directors on which the candidate serves,

A description of all agreements, arrangements or understandings between the shareholder and the director candidate,

The candidate's consent to be contacted by a representative of the Corporate Governance Committee for interviews and his or her agreement to provide further information, if needed,

The candidate's consent for a background check, and

The candidate's consent to serve as a director, if nominated and elected.

To be considered by the Committee for the slate recommended in the proxy statement for the 2011 annual meeting, shareholders should submit any director recommendation and all required information to the Secretary no later than May 27, 2011.

Under the Company's By-laws, shareholders may also nominate a candidate for election at an annual meeting of shareholders. Details regarding this nomination procedure and the required notice and information are set forth elsewhere in this Proxy Statement under the heading "2011 Annual Meeting."

On August 25, 2010, the SEC adopted amendments to the federal proxy rules (the "Amendments") that will implement a new system of proxy access, under which a shareholder or group of shareholders meeting eligibility requirements can require a public company, such as Avnet, to include a limited number of director nominees proposed by the



shareholder in management's proxy materials. The proxy access procedure is in addition to the director nomination procedure described in the preceding paragraphs and nomination provisions set forth in the Company's By-laws. The proxy access rules are principally set forth in SEC Rule 14a-11, which will become effective on November 15, 2010. Accordingly, the proxy access rules will be available to eligible shareholders of the Company in connection with the Company's 2011 annual meeting of shareholders.

## **Table of Contents**

Rule 14a-11 will require companies to include in their proxy materials director nominees proposed by any owner of at least 3% of the total voting power of the company's securities entitled to be voted in the election of directors who has held the securities continuously for at least three years. The three-year holding period is measured back from the date the nominating shareholder or group files its Schedule 14N with the SEC announcing its submission of a director nominee or nominees. A nominating shareholder will be required to continue to own the required amount of securities at least through the date of the meeting at which directors are elected. Shareholders may aggregate holdings to establish sufficient ownership. The nominating shareholder or group must hold both voting and investment power, either directly or through any person acting on their behalf, in order to satisfy the 3% ownership and three continuous year holding thresholds.

Nominating shareholders or groups will be required to file a new form, Schedule 14N, to provide information relating to eligibility and nominees. The notice on Schedule 14N to the company and the filing with the SEC must be made on the same day, no earlier than 150 calendar days, and no later than 120 calendar days prior to the anniversary of the prior year's proxy material mail date. If multiple shareholders or groups submit nominations and the number of nominees surpasses the maximum number required to be included by Rule 14a-11, the nominating shareholder or group of nominating shareholders with the highest percentage of the company's voting power will have its nominee or nominees included in the company's proxy materials.

A qualifying shareholder or group may nominate the greater of one nominee and a number of nominees equal to no more than 25% of the board's total membership. Any person may be nominated under the proxy access rule if that person's candidacy or, if elected, Board membership would not violate controlling state, federal or foreign law, or the applicable standards of a national securities exchange or national securities association (i.e., The New York Stock Exchange, in the case of the Company), other than rules relating to director independence that rely on a subjective determination by the board. The nominee must, however, satisfy objective independence standards of the applicable national securities exchange or national securities association.

The foregoing is a summary of the new proxy access rules, and any shareholder nominee(s) submitted pursuant to those rules will be required to meet all of the eligibility rules applicable to the nominee(s) and the nominating shareholder or nominating shareholder group.

## **Director Communications**

Shareholders and other interested parties may contact any or all of the Company's Directors by writing to the Board of Directors or to the Secretary, Avnet, Inc., 2211 South 47th Street, Phoenix, AZ 85034. They may also submit an email to the Lead Director, the chair of the Audit Committee or the non-employee Directors as a group, by filling out the email form on the Company's website at [www.ir.avnet.com/governance.cfm](http://www.ir.avnet.com/governance.cfm) under the caption "Committee Composition."

Communications received are distributed to the Board, or to any individual Director or group of Directors as appropriate, depending on the facts and circumstances outlined in the communication. The Avnet Board of Directors has requested that items that are unrelated to the duties and responsibilities of the Board be excluded, including spam, junk mail and mass mailings, product and services inquiries, product and services complaints, resumes and other forms of job inquiries, surveys and business solicitations or advertisements. Any product and services inquiries or complaints will be forwarded to the proper department for handling. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded. Any such communication will be made available to any non-employee Director upon request.

## **Code of Conduct**

The Company adopted a Code of Conduct that applies to Directors, officers and employees, including the Chief Executive Officer and all financial and accounting personnel. A copy of the Code of Conduct can be reviewed at [www.ir.avnet.com/documents.cfm](http://www.ir.avnet.com/documents.cfm). Any future amendments to, or waivers for executive

## **Table of Contents**

officers and Directors from, certain provisions of the Code of Conduct, will be posted on the Company's website.

### **Reporting of Ethical Concerns**

The Audit Committee of the Board of Directors has established procedures for employees, shareholders, vendors and others to communicate concerns about the Company's ethical conduct or business practices including accounting, internal controls or financial reporting issues. Matters may be reported in the following ways:

Employees of the Company are encouraged to contact their manager, Human Resources representative or the Code of Conduct Advisor(s) assigned to their facility to report and discuss matters of concern.

All persons, including employees, may contact:

The Legal Department, by telephone at (480) 643-7106, or by mail at 2211 South 47th Street, Phoenix, Arizona 85034; or

The Ethics Advice Line at 1-800-861-2899 (within the United States) or via email at [ethics.adviceline@avnet.com](mailto:ethics.adviceline@avnet.com). Calls and emails to the Ethics Advice Line will be treated confidentially within the limits of the law, and may be made on an anonymous basis.

### **Lead Director**

The Board of Directors has established a rotation system for Lead Director service. Each Independent Director serves as the Lead Director from time to time as service rotates among the Independent Directors on an annual basis. Mr. Gary L. Tooker currently serves as the Lead Director. Mr. Frank R. Noonan will be the Lead Director serving a one year term beginning upon the adjournment of the Board of Directors meeting immediately following the Annual Meeting of the shareholders on November 5, 2010.

The Lead Director has the following responsibilities:

Presiding at all meetings of the Board at which the Chairman is not present, including executive sessions of the Independent Directors;

Setting meeting agendas for the executive sessions of the Independent Directors;

Reviewing information to be sent to the Board and the proposed agenda for Board meetings;

Reviewing Board meeting schedules to ensure sufficient time for discussion of all agenda items;

Helping ensure adequate distribution of information to members of the Board in a timely manner;

Having the authority to call meetings of the Independent Directors; and

Performing such other duties as the Board may from time to time delegate to assist the Board in the fulfillment of its responsibilities.

### **Executive Sessions**

To promote free and open discussion and communication, Independent Directors meet in executive session without management present at regularly scheduled Board meetings. Non-employee Directors may meet at other times at the discretion of the Lead Director or upon the request of any Independent Director.

**Stock Ownership Guidelines**

The Board has adopted stock ownership guidelines providing that each Director should own, within four years of joining the Board, 10,000 shares of Avnet Common Stock. Shares that are awarded to Directors as part of director compensation, as well as Phantom Share Units acquired by Directors under the Avnet

**Table of Contents**

Deferred Compensation Plan for Outside Directors, count towards the ownership requirements under the guidelines, but options, even if vested, do not. All Directors are in compliance with this requirement.

**Avnet Website**

In addition to the information about Avnet and its subsidiaries contained in this Proxy Statement, extensive information about the Company can be found on its website located at [www.avnet.com](http://www.avnet.com), including information about the Company's management team, products and services and its corporate governance practices.

The corporate governance information on Avnet's website includes the Company's Corporate Governance Guidelines, the Code of Conduct, the charters for each of the standing committees of the Board of Directors, how a shareholder can communicate with the Corporate Governance Committee to nominate a director candidate for election and how shareholders and other interested parties can communicate with the Lead Director, the chair of the Audit Committee and the non-employee Directors as a group. In addition, amendments to the Code of Conduct and waivers granted to the Company's 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 [www.ir.avnet.com/documents.cfm](http://www.ir.avnet.com/documents.cfm). Printed versions of the Corporate Governance Guidelines, the Code of Conduct and the charters for the Board committees can be obtained, free of charge, by writing to the Company at: Secretary, Avnet, Inc., 2211 South 47th Street, Phoenix, AZ 85034.

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 the Securities Exchange Act of 1934, as well as Section 16 filings made by any of the Company's executive officers and Directors with respect to Avnet Common Stock, are available on the Company's website ([www.avnet.com](http://www.avnet.com) under the 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 (SEC).

This information about Avnet's website and its content, together with other references to the website made in this Proxy Statement, is for information only. The content of the Company's website is not and should not be deemed to be incorporated by reference in this Proxy Statement or otherwise filed with the SEC.

**Table of Contents****THE BOARD OF DIRECTORS AND ITS COMMITTEES**

Avnet's Board of Directors held six meetings during fiscal 2010 – four regular quarterly meetings, a meeting held in connection with management's presentation of its annual strategic plan and one special meeting. The non-employee Directors met separately in executive session four times during fiscal 2010.

During fiscal 2010, each Director standing for re-election attended at least 75% of the combined number of meetings of the Board held during the period for which the Director served and of the committees on which such Director served. All members of the Board of Directors are expected to attend the annual meeting of shareholders, unless unusual circumstances prevent such attendance. Board and committee meetings are scheduled in conjunction with the annual meeting of shareholders. All of the Directors standing for election (other than Mr. Schumann who joined the Board in February 2010) attended Avnet's 2009 annual meeting of shareholders.

The Board currently has, and appoints the members of, a standing Audit Committee, Compensation Committee, Corporate Governance Committee and Finance Committee. Each committee is comprised solely of non-employee Directors, reports regularly to the full Board and annually evaluates its performance. The members of the committees as of the date of this proxy statement are identified in the following table.

<b>Director</b>	<b>Audit</b>	<b>Compensation</b>	<b>Corporate Governance</b>	<b>Finance</b>
Eleanor Baum	ü		Chair	
J. Veronica Biggins		ü	ü	
Lawrence W. Clarkson			ü	Chair
Ehud Houminer	ü	Chair		
Frank R. Noonan	Chair			ü
Ray M. Robinson			ü	ü
William H. Schumann, III	ü			ü
William P. Sullivan		ü	ü	
Gary L. Tooker	ü	ü		

**Audit Committee**

The Audit Committee is charged with assisting and representing the Board of Directors in fulfilling its oversight responsibilities with respect to the integrity of the financial statements of the Company, the independence and performance of the Company's corporate audit and independent registered public accounting firm, and compliance with legal and regulatory requirements, as well as the Company's internal ethics and compliance program and enterprise risk management activities. Moreover, the Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm. All of the members of the Audit Committee are independent under the independence requirements of the New York Stock Exchange ( NYSE ) listing standards, the independence standards adopted by the Board, and also meet the additional requirements for audit committee independence established by the SEC. The Board of Directors has determined that three members of the Audit Committee (Messrs. Houminer, Noonan and Schumann) qualify as audit committee financial experts, as defined in rules adopted by the SEC. Please see the Audit Committee Report set forth elsewhere in this Proxy Statement for more information about the Committee and its operations. The Committee operates under a written charter that outlines the Committee's purpose, member qualifications, authority and responsibilities. The Committee

reviews its charter and conducts an evaluation of its own effectiveness annually. The charter is available on the Company's website at [www.ir.avnet.com/documents.cfm](http://www.ir.avnet.com/documents.cfm). During fiscal 2010, the Audit Committee held nine meetings.

### **Compensation Committee**

The Compensation Committee is responsible for reviewing and approving compensation of all of the Company's executive officers other than the CEO and for evaluating the performance of the CEO and, on the basis of such evaluation, for recommending to the Independent Directors the CEO compensation for



## **Table of Contents**

consideration and approval. In addition, the Compensation Committee administers all of Avnet's equity compensation plans. All of members of the Committee meet the independence requirements of the NYSE listing standards and the independence standards adopted by the Board of Directors. The Committee operates under a written charter that outlines the purpose, member qualifications, authority and responsibilities of the Committee. The Committee reviews its charter and conducts an evaluation of its own effectiveness annually. A copy of the Committee charter is available on the Company's website at [www.ir.avnet.com/documents.cfm](http://www.ir.avnet.com/documents.cfm). During fiscal 2010, the Compensation Committee held five meetings.

### **Corporate Governance Committee**

The Corporate Governance Committee is charged with identifying, screening and recommending to the Board of Directors appropriate candidates to serve as directors of the Company and is responsible for overseeing the process for evaluating the Board of Directors and its Committees. This Committee also oversees and makes recommendations with respect to corporate governance issues affecting the Board of Directors and the Company. All of the members of the Corporate Governance Committee are independent under Avnet's Director Independence Standards and the NYSE listing standards. The Committee operates under a written charter that outlines the Committee's purpose, member qualifications, authority and responsibilities. The Committee reviews its charter and conducts an evaluation of its own effectiveness annually. The charter is available on the Company's website at [www.ir.avnet.com/documents.cfm](http://www.ir.avnet.com/documents.cfm). During fiscal 2010, the Corporate Governance Committee held five meetings.

### **Finance Committee**

The Finance Committee is responsible for evaluating the Company's short and long-term financing needs and capital structure and for making recommendations about future financing. The Committee also has the oversight responsibility for the Avnet Pension Plan and Trust and the Avnet 401(k) Plan and Trust. The Committee operates under a written charter that outlines the Committee's purpose, member qualifications, authority and responsibilities. The Committee reviews its charter and conducts an evaluation of its own effectiveness annually. The Committee's charter is available on the Company's website at [www.ir.avnet.com/documents.cfm](http://www.ir.avnet.com/documents.cfm). During fiscal 2010, the Finance Committee held five meetings.

### **Executive Committee**

The Board of Directors has an Executive Committee which is charged with the authority of the full Board and, between meetings of the Board, is authorized to exercise the powers of the Board in the management of the business and affairs of Avnet to the extent permitted by law. The Executive Committee is comprised of the Chairman and four other Directors. All of the Independent Directors rotate service on the Executive Committee. The Executive Committee did not meet in fiscal 2010.

### **The Board's Role in Risk Oversight**

One function of the Board is oversight of risk management at Avnet. Risk is present in every business, and the Board seeks to understand and advise on risk in conjunction with the activities of the Board and its committees. The Board considers risk for these purposes to be the possibility that an undesired event could occur that adversely affects the achievement of the Company's objectives. Examples of the types of risks that a company faces include:

Macro-economic risks, such as inflation, reductions in economic growth, or recession;

Political risks, such as restrictions on access to markets, taxation and fiscal policies that are confiscatory, or expropriation of assets;

Event risks, such as natural disasters and catastrophic system failures; and

Enterprise-specific risks related to strategic position, operational execution, financial structure, legal and regulatory compliance, and corporate governance.

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**Table of Contents**