

AVNET INC  
Form DEF 14A  
September 25, 2008

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**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:

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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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**AVNET, INC.**

**NOTICE OF 2008 ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held Thursday, November 6, 2008**

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 Global Solutions Center, 6700 W. Morelos Place, Chandler, Arizona 85226 on Thursday, November 6, 2008, at 11:00 a.m., mountain standard time, for the following purposes:

1. To elect nine (9) directors named in the attached Proxy Statement to serve until the next annual meeting and until their successors have been elected and qualified.
2. 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 June 27, 2009.
3. To take action with respect to such other matters as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on September 8, 2008 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 25, 2008

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**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 6, 2008**

**The Proxy Statement and 10-K are available at  
<http://www.ir.avnet.com>**

The Annual Meeting of Shareholders of AVNET, INC. will be held at the Avnet Global Solutions Center, 6700 W. Morelos Place, Chandler, Arizona 85226 on Thursday, November 6, 2008, at 11:00 a.m., mountain standard time.

At the meeting you will be asked to elect 9 directors and ratify the appointment of KPMG LLP as the independent registered public accounting firm for the 2009 fiscal year. The Company's Board of Directors is asking for your support of the director nominees and the selection of KPMG LLP.

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 before September 25, 2008 containing instructions on how to access our 2008 Proxy Statement and 2008 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 Sky Harbor Airport, Phoenix, AZ:  
Take I-10 east to Exit 160 for Chandler Blvd  
Turn left at E. Chandler Blvd.  
Turn right at N. 56 Street  
Turn left at W. Morelos Place to  
Avnet Global Solutions Center  
6700 W. Morelos Place

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

**PROXY STATEMENT  
Dated September 25, 2008**

**FOR ANNUAL MEETING OF SHAREHOLDERS  
To Be Held November 6, 2008**

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 the Avnet Global Solutions Center, 6700 W. Morelos Place, Chandler, Arizona 85226 on November 6, 2008, 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 25, 2008. Only holders of record of outstanding shares of Common Stock at the close of business on September 8, 2008, 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, 2008 was 150,643,302, 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 and 2. 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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### **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 Proposals 1 and 2 in the absence of timely instructions from their customers.

### **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*

Ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2009 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.

## **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.

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### **Corporate Governance Guidelines**

In September 2003, the Board of Directors adopted Corporate Governance Guidelines, which 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 August 2008. 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 four 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 compliance (but not tax planning) practice; or (d) the Director, or an immediate family member of the Director, was within the last three years (but is no longer) 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 \$100,000 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.

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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.

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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 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, judgment and issues of diversity in 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.

The Corporate Governance Committee also reviews whether a potential candidate will meet the Company'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,

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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 2009 annual meeting, shareholders should submit any director recommendation and all required information to the Secretary no later than May 28, 2009.

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 "2009 Annual Meeting."

## **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 has 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 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,



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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, at (480) 643-7106, or at 2211 South 47th Street, Phoenix, Arizona 85034.

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 as necessary and permitted by 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. Ehud Houminer currently serves as the Lead Director. Mr. Ray Robinson 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 6, 2008.

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-management 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 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

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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 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 or 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 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 Securities and Exchange Commission.

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Avnet's Board of Directors held seven meetings during fiscal 2008 – four regular quarterly meetings, a meeting held in connection with management's presentation of its annual strategic plan and two special meetings. The non-management Directors met separately in executive session four times during fiscal 2008.

During fiscal 2008, 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. Sullivan who was first elected to the Board on July 15, 2008, attended Avnet's 2007 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 reports regularly to the full Board and annually evaluates its performance. The members of the committees 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 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 categorical 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 Board (Messrs. Houminer, Lawrence and Noonan) 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 2008, the Audit Committee held eleven

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

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the basis of such evaluation, for recommending to the Independent Directors the CEO compensation for consideration and approval. In addition, the Compensation Committee administers all of Avnet's equity compensation plans and oversees Avnet's diversity and community relations programs. 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 2008, the Compensation Committee held six 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 2008, 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 2008, the Finance Committee held four 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 2008.

**Table of Contents****PROPOSAL 1****ELECTION OF DIRECTORS**

Nine Directors are to be elected at the Annual Meeting to hold office until the next annual meeting of shareholders and until their successors have been elected and qualified. It is the intention of the persons named in the enclosed proxy card to vote each properly signed and returned proxy (unless otherwise directed by the shareholder executing such proxy) for the election as Directors of Avnet of the nine persons listed below. Each nominee has consented to being named herein and to serving if elected. Mr. Sullivan joined the Board of Directors on July 15, 2008, replacing Mr. James A. Lawrence, who retired from the Board due to his change in employment and relocation to London. The Company would like to thank Mr. Lawrence for his nine years of dedicated service to Avnet. All of the other nominees were elected directors at the Annual Meeting of Shareholders held on November 8, 2007.

Directors will be elected by a plurality of the votes properly cast at the Annual Meeting. Only votes cast for the election of Directors will be counted in determining whether a nominee for Director has been elected. Thus, shareholders who do not vote, or who withhold their vote, will not affect the outcome of the election. Under the Corporate Governance Guidelines, however, 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 election results. The Board must then determine whether to accept the director's resignation in accordance with the procedures set forth in the Corporate Governance Guidelines and publicly announce the results of its deliberation.

In case any of the nominees below should become unavailable for election for any presently unforeseen reason, the persons named in the enclosed form of proxy will have the right to use their discretion to vote for a substitute or to vote for the remaining nominees and leave a vacancy on the Board of Directors. Under Avnet's By-laws, any such vacancy may be filled by a majority vote of the Directors then in office or by the shareholders at any meeting thereof. Alternatively, the Board of Directors may reduce the size of the Board to eliminate the vacancy.

The information set forth below as to each nominee has been furnished by such nominee as of September 8, 2008:

<b>Name</b>	<b>Age</b>	<b>Year First Elected</b>	<b>Principal Occupations During Last Five Years; Other Directorships and Activities</b>
<b>Eleanor Baum</b>	68	1994	Dean of the School of Engineering of The Cooper Union for the Advancement of Science & Art, New York, NY since 1987. Dr. Baum is also a director of Allegheny Energy, Inc., a utility holding company, and former director of United States Trust Company (1991-2007); the former Chair of the New York Academy of Sciences (1998-1999); former Chair of the Engineering Workforce Commission (1999-2002); Dr. Baum is a Trustee of Embry Riddle University and serves on various advisory boards to universities, government agencies and industry groups.
<b>J. Veronica Biggins</b>	61	1997	Director of HNCL Search as of September 2007. Formerly, Senior Partner at Heidrick & Struggles International, Inc., an executive search firm, since 1995. Prior to that, Ms. Biggins

was Assistant to the President of the United States. Ms. Biggins is also a director of AirTran Holdings, Inc., parent company to Airtran Airways, Kaiser Permanente of Georgia, a non-profit HMO, and ZEP, Inc., a leading provider of specialty chemical products.



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<b>Name</b>	<b>Age</b>	<b>Year First Elected</b>	<b>Principal Occupations During Last Five Years; Other Directorships and Activities</b>
<b>Lawrence W. Clarkson</b>	70	1998	Retired Senior Vice President of The Boeing Company (April 1994 – February 1999) and President of Boeing Enterprises (January 1997 – February 1999), a manufacturer of aerospace, aviation and defense products. Mr. Clarkson is also a director of Hitco Carbon Composites and Intelligenxia, Inc., dba IxReveal, developer of IxReveal software, Vice Chairman of The National Bureau of Asian Research, director of the U.S. Pacific Basin Council and the National Center for Asia Pacific Economic Cooperation.
<b>Ehud Houminer</b>	68	1993	Executive in residence at Columbia Business School, Columbia University, New York since 1991. Mr. Houminer is also a director of various Dreyfus mutual funds. Member of the Board of Overseers of the Columbia Business School and chairman of the advisory board of the honors MBA program at the School of Management at Ben Gurion University.
<b>Frank R. Noonan</b>	66	2004	Retired Chairman and Chief Executive Officer of R. H. Donnelley Co. (1991 – 2002), publisher of yellow pages directories. Mr. Noonan is also a director of NewStar Financial, Inc., a Boston-based commercial finance company, and RiskMetrics Group, Inc., a provider of risk management and corporate governance products and services.
<b>Ray M. Robinson</b>	60	2000	Non-executive Chairman of the Board of Citizens Trust Bank, the largest African-American owned bank in the southeast United States, trading as Citizens Bancshares. Vice Chairman of East Lake Community Foundation. Previously President of AT&T Southern Region Business Services Division from 1995 – 2003. Mr. Robinson is also a director of Aaron Rents, Inc., Acuity Brands, Inc., a provider of lighting products and specialty chemicals, AMR Corp., the parent company of American Airlines and ChoicePoint Inc., a provider of identification and credential verification services.
<b>William P. Sullivan</b>	58	2008	President and Chief Executive Officer of Agilent Technologies Inc. since March 2005. Prior thereto, Executive Vice President and Chief Operating Officer of Agilent from March 2002 until March 2005, and Senior Vice President and General Manager of its Semiconductor Products Group from August 1999 until March 2002. Mr. Sullivan is also a director of URS Corporation, a leading provider of engineering, construction and technical services.
<b>Gary L. Tooker</b>	69	2000	Independent consultant (2000 – current); Retired Chairman of the board of directors of Motorola, Inc. (1997-1999); former Vice Chairman and Chief Executive Officer of Motorola, Inc. (1994-1996); former director of Motorola (until May 2001). Mr. Tooker is also a director of Eaton Corporation, a

diversified industrial manufacturer.

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<b>Name</b>	<b>Age</b>	<b>Year First Elected</b>	<b>Principal Occupations During Last Five Years; Other Directorships and Activities</b>
<b>Roy Vallee</b>	56	1991	Chairman of the Board and Chief Executive Officer of Avnet since June 1998; prior thereto, Vice Chairman of the Board (November 1992 to June 1998) and President and Chief Operating Officer of Avnet (March 1992 to June 1998). Mr. Vallee is also a director of Synopsys, Inc., a developer of software for semiconductor design, and Teradyne, Inc., a supplier of automatic test equipment for the electronics and telecommunications industries.

**AUDIT COMMITTEE REPORT**

The Audit Committee represents and assists the Board in fulfilling its oversight responsibilities with respect to the integrity of the Company's financial statements, the independence, qualification and performance of the Company's corporate auditor and its independent registered public accounting firm, and compliance with legal and regulatory requirements. The Audit Committee operates under a written charter, which sets forth its purpose, member qualifications, authority and responsibilities. The Audit Committee reviews its charter on a regular basis and most recently reviewed and approved it at the Committee's regularly scheduled meeting on May 8, 2008. The charter is available on the Company's website at [www.ir.avnet.com/governance.cfm](http://www.ir.avnet.com/governance.cfm).

The Audit Committee monitors the activities and performance of the Company's internal audit function, including scope of reviews, department staffing levels and reporting and follow-up procedures. The Audit Committee also oversees the Company's efforts and plans in enterprise risk management. In addition, the Audit Committee oversees the Company's internal ethics and compliance program. The Audit Committee also meets quarterly with KPMG LLP, the Company's independent registered public accounting firm (KPMG), and with the Company's Director of Corporate Audit, the Chief Financial Officer and the Chief Ethics and Compliance Officer in separate, executive sessions. Management has responsibility for the preparation, presentation and integrity of the Company's financial statements and the reporting process, including the system of internal controls.

The Audit Committee meets with KPMG and management to review the Company's interim financial results before publication of the Company's quarterly earnings press releases and the filing of the Company's quarterly reports on Form 10-Q and annual report on Form 10-K. The Committee also monitors the activities and performance of KPMG, including audit scope, audit fees, auditor independence and non-audit services performed by KPMG. All services to be performed by the Company's independent registered public accounting firm are subject to pre-approval by the Audit Committee and management provides quarterly reports to the Committee on the status and fees for all such projects.

The Audit Committee has reviewed and discussed the consolidated financial statements for fiscal year 2008 with management and KPMG. This review included a discussion with KPMG and management of Avnet's accounting principles, the reasonableness of significant estimates and judgments, including disclosure of critical accounting estimates, and the conduct of the audit. The Committee has discussed with KPMG the matters required to be discussed by Statement on Auditing Standards No. 61 - Communication with Audit Committees, as amended by Statement on Auditing Standards No. 90 - Audit Committee Communications. KPMG provided the Audit Committee with the written disclosures and the letter required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and the Committee discussed with KPMG its independence. The Audit Committee has concluded that KPMG is independent from the Company and its management. KPMG also discussed with the Committee its

internal quality control procedures and the results of its most recent peer review. In reliance on this review and these discussions, and the report of KPMG, the Audit Committee has recommended to the Board, and the Board has approved, the inclusion of the audited financial statements

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in the Company's Annual Report on Form 10-K for the year ended June 28, 2008 for filing with the Securities and Exchange Commission.

Frank R. Noonan, Chair  
 Ehud Houminer  
 Eleanor Baum  
 Gary Tooker

**PRINCIPAL ACCOUNTING FIRM FEES**

The table below provides information relating to fees charged for services performed by KPMG LLP, the Company's independent registered public accounting firm, in both fiscal 2008 and fiscal 2007.

	<b>Fiscal 2008</b>	<b>Fiscal 2007</b>
Audit Fees	\$ 6,828,297	\$ 5,827,300
Audit-Related Fees	201,152	174,540
Tax Fees	870,740	1,342,450
All Other Fees		
<b>TOTAL</b>	<b>\$ 7,900,189</b>	<b>\$ 7,344,290</b>

*Audit Fees.* In both years, Audit Fees consisted of work performed by the principal auditor associated with the audit of the Company's consolidated financial statements, including reviews performed on the Company's Form 10-Q filings, statutory audits required for the Company's subsidiaries, and fees incurred in connection with the audit of internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002. Audit fees in fiscal 2007 also included assistance with registration statements filed by the Company, including comfort letters and consents.

*Audit-Related Fees.* In both years, Audit-Related Fees included certain compliance-related, agreed-upon procedures and assistance with certain acquisition due diligence efforts.

*Tax Fees.* In both years, Tax Fees consisted primarily of assistance with respect to global tax compliance (federal, international, state and local), tax audits, a tax-related transfer pricing study, tax-related due diligence in connection with certain acquisitions and expatriate tax services.

All services to be provided by the Company's independent registered public accounting firm are subject to pre-approval by the Audit Committee. The Audit Committee has adopted an External Auditor Scope of Services Policy, which requires the Audit Committee's pre-approval of all services to be performed by the Company's independent registered public accounting firm. In each case, pre-approval is required either by the Audit Committee or by the Chair of the Audit Committee, who is authorized to approve projects up to \$250,000 and must then report them to the full Committee by the next Committee meeting. Management provides quarterly reports to the Audit Committee on the status and fees for all projects requiring services by KPMG, LLP.

**Table of Contents****BENEFICIAL OWNERSHIP OF COMMON STOCK BY MANAGEMENT AND OTHERS**

The following table sets forth information with respect to the Common Stock of Avnet beneficially owned at September 8, 2008 by (a) persons that, to Avnet's knowledge, were the beneficial owners of more than 5% of Avnet's outstanding Common Stock ( 5% Holders ), (b) each Director and director nominee of Avnet, (c) each of the executive officers named in the Summary Compensation Table in this Proxy Statement ( named executive officers or NEOs ), and (d) all Directors and executive officers of Avnet as a group. Except where specifically noted in the table, all the shares listed for a person or the group are directly held by such person or group members, with sole voting and dispositive power.

Name	Common Stock(a)	Stock Options Exercisable Within 60 Days	Total Common Stock Beneficially Owned	Percent of Class	Phantom Shares(b)	Total Equity Interest
<b>5% Holders</b>						
FMR Corp. et al 82 Devonshire Street Boston, MA 02109	15,158,900		<b>15,158,900(1)</b>	<b>10.10%</b>		
AXA Financial, Inc. et al 1290 Avenue of the Americas New York, NY 10104	12,516,795		<b>12,516,795(2)</b>	<b>8.3%</b>		
<b>Directors and Named Executive Officers</b>						
Eleanor Baum	18,667	2,175	<b>20,842</b>	*	1,476	22,318
J. Veronica Biggins	13,464	2,175	<b>15,639</b>	*	10,285	25,924
David R. Birk	63,049	48,590	<b>111,639(3)</b>	*		111,639
Lawrence W. Clarkson	4,833	2,175	<b>7,008</b>	*	11,578	18,586
Harley Feldberg	72,454	143,045	<b>215,499(4)</b>	*		215,499
Richard Hamada	81,330	53,732	<b>135,062(5)</b>	*		135,062
Ehud Houminer	27,604	2,175	<b>29,779</b>	*		29,779
Frank R. Noonan	1,000	5,450	<b>6,450(6)</b>	*	18,322	24,772
Ray M. Robinson	4,219	2,175	<b>6,394</b>	*	9,090	15,484
Raymond Sadowski	99,534	178,131	<b>277,665(7)</b>	*		277,665
William P. Sullivan	2,410		<b>2,410</b>	*		2,410
Gary L. Tooker	21,035	18,100	<b>39,135(8)</b>	*	16,891	56,026
Roy Vallee	370,758	1,587,345	<b>1,958,103(9)</b>	<b>1.29%</b>		1,958,103
<b>All directors and executive officers as a group (17 persons)</b>						
			<b>3,084,947</b>	<b>2.02%</b>		

\* Less than 1%.

- (a) This column includes incentive shares allocated but not yet delivered to each executive officer.
- (b) This column indicates the number of phantom shares owned by non-employee Directors. Phantom shares owned under the Avnet, Inc. Deferred Compensation Plan for Outside Directors are to be settled 1 - for - 1 in Avnet's Common Stock after cessation of service on the Board or upon change in control of the Company. Under this plan, Directors can defer fees otherwise payable in cash for service as a member of the Board or any of its committees into a cash or phantom share account and can elect to receive phantom shares in lieu of the portion of compensation paid in Common Stock.
- (1) The number of shares beneficially owned is based on information provided in a Schedule 13G (Amendment No. 8) filed with the Securities and Exchange Commission on February 14, 2008, by FMR Corp. on behalf of a group of FMR's entities or affiliates, which reflects sole voting power with

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respect to 3,176,489 shares and sole dispositive power with respect to 15,158,900 shares beneficially owned by FMR Corp., a parent holding company.

- (2) The number of shares beneficially owned is based on information provided in a Schedule 13G (Amendment No. 8) filed with the Securities and Exchange Commission on February 14, 2008 pursuant to a Joint Filing Agreement on behalf of AXA's entities or affiliates, with sole power to vote or direct the vote with respect to 8,762,183 shares, sole power to dispose or direct the disposition with respect to 12,516,795 shares and shared power to vote or direct the vote with respect to 45,511 shares.
- (3) Includes 22,782 Incentive Shares allocated but not yet delivered.
- (4) Includes 32,257 Incentive Shares allocated but not yet delivered. Also includes 40,197 shares of Common Stock held by a family trust for which Mr. Feldberg is a trustee.
- (5) Includes 46,395 Incentive Shares allocated but not yet delivered. Also includes 34,935 shares of Common Stock held by a family trust for which Mr. Hamada is a trustee.
- (6) Includes 1,000 shares of Common Stock held by a trust for which Mr. Noonan is a trustee.
- (7) Includes 27,288 Incentive Shares allocated but not yet delivered.
- (8) Includes 21,035 shares of Common Stock held by a family trust for which Mr. Tooker is a trustee.
- (9) Includes 136,384 Incentive Shares allocated but not yet delivered. Also includes 226,353 shares of Common Stock held by a family trust for which Mr. Vallee is a trustee.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Pursuant to Section 16(a) of the Securities Exchange Act of 1934, Avnet's Directors, executive officers and beneficial owners of more than 10% of the outstanding Common Stock are required to file reports with the Securities and Exchange Commission concerning their ownership of and transactions in Avnet Common Stock and are also required to provide Avnet with copies of such reports. Based solely on such reports and related information furnished to Avnet, Avnet believes that in fiscal 2008 all such filing requirements were complied with in a timely manner by all Directors and executive officers.



**Table of Contents****EXECUTIVE OFFICERS OF THE COMPANY**

The current executive officers of the Company are:

<b>Name</b>	<b>Age</b>	<b>Office</b>
Roy Vallee	56	Chairman of the Board and Chief Executive Officer
David R. Birk	61	Senior Vice President, General Counsel and Assistant Secretary
Steven C. Church	59	Senior Vice President and Chief HROD Officer
Harley Feldberg	55	Senior Vice President and President of Avnet Electronic Marketing
Richard P. Hamada	50	Senior Vice President and Chief Operating Officer
John Paget	59	Vice President and President of Avnet Technology Solutions
Steven R. Phillips	45	Vice President and Chief Information Officer
Raymond Sadowski	54	Senior Vice President, Chief Financial Officer and Assistant Secretary
James N. Smith	62	Vice President and President of Avnet Logistics Services

Mr. Vallee joined the Company in February 1977 and has been Chairman of the Board and Chief Executive Officer since June 1998. Prior thereto, he served as Vice Chairman of the Board from November 1992 until June 1998 and also President and Chief Operating Officer from March 1992 until his election as CEO in June 1998.

Mr. Birk has been Senior Vice President of Avnet since November 1992. Mr. Birk was elected Vice President and General Counsel in September 1989 and previously held the position of Secretary from July 1997 to November 2003 and from January 2005 to November 2007.

Mr. Church has been Senior Vice President of Avnet since November 1995 and currently serves as Chief Human Resources and Organizational Development Officer. Mr. Church previously served as President of Avnet Electronics Marketing Americas from 1994 to 2001 and co-President of Electronics Marketing from August 1998 to April 2001. Prior thereto, Mr. Church held various positions with Avnet including President of Hamilton Hallmark, Vice President of Corporate Marketing for Hamilton Hallmark and President of Avnet's OEM Marketing Group.

Mr. Feldberg became an executive officer in July 2004 when he was promoted to President of Avnet Electronics Marketing. Mr. Feldberg previously served as President of Avnet Electronics Marketing Americas from June 2002 until June 2004 and has served as a corporate Vice President since November 1996. Mr. Feldberg served as President of Avnet Electronics Marketing Asia from December 2000 to June 2002.

Mr. Hamada was appointed as Chief Operating Officer in July 2006 and has been Senior Vice President of Avnet since November 2002. Mr. Hamada served as the President of the Computer Marketing operating group from January 2002 until July 2003 and was appointed Vice President of Avnet in November 1999.

Mr. Paget joined the Company in March 2007 as President of Avnet Technology Solutions and was elected a corporate vice president in November 2007. Before joining Avnet, Mr. Paget was President of the Technology Solutions Division of Synnex Corporation from May 2004 to February 2007. Prior thereto, he held the position of Senior Vice President and General Manager of GE Technology Financial Services from January 2003 to May 2004.

Mr. Paget served as President and Chief Executive Officer of GE Access from November 2000 to May 2003.

Mr. Phillips is Vice President and Chief Information Officer of Avnet. He joined Avnet with the July 2005 acquisition of Memec where he had served as Senior Vice President and Chief Information Officer since May 2004. Prior to joining Memec, Mr. Phillips was Senior Vice President and Chief Information Officer for

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Gateway Inc. He joined Gateway in June 1999 and served as Vice President of Information Technology in London and San Diego before his appointment in August 2003 as Chief Information Officer.

Mr. Sadowski has been Senior Vice President of Avnet since November 1992 and Chief Financial Officer since February 1993. Prior thereto, Mr. Sadowski has held various management positions in Avnet's finance organization including the position of Controller.

Mr. Smith joined Avnet in 2000 and was promoted to President of Avnet Logistics in June 2006 and then elected a corporate vice president in November 2007. He previously served as Senior Vice President of Warehousing & Distribution Worldwide for Avnet Logistics from October 2004 to June 2006 and served as Senior Vice President and Director of operations for Avnet Electronics Marketing Americas from October 2000 to September 2004.

Officers of the Company are generally elected each year at the meeting of the Board of Directors following the annual meeting of shareholders and hold office until the next such annual meeting or until their earlier death, resignation or removal.

## **COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed the Compensation Discussion and Analysis ( CD&A ) and discussed it with management. Based on its review and discussion with management, the Committee recommended to the Board of Directors that the CD&A be included in the Company's 2008 Proxy Statement and incorporated by reference into the Company's annual report on Form 10-K. This Report is provided by the following independent directors, who comprise the Committee:

Ehud Houminer, Chair  
J. Veronica Biggins  
William P. Sullivan  
Gary Tooker

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Introduction**

This section explains how the Compensation Committee of Avnet's Board of Directors made its compensation decisions for the fiscal year ended June 28, 2008 ( fiscal 2008 ) for the Named Executive Officers (the NEOs ). The compensation paid to the NEOs for fiscal 2008 is set forth in the Summary Compensation Table, which is included elsewhere in this Proxy Statement. These officers and their titles for fiscal 2008 are:

Roy Vallee, Chairman of the Board and Chief Executive Officer, Avnet, Inc.;

Raymond Sadowski, Senior Vice President and Chief Financial Officer, Avnet, Inc.;

Richard Hamada, Senior Vice President and Chief Operating Officer, Avnet, Inc.;

Harley Feldberg, Senior Vice President, Avnet, Inc., and President, Avnet Electronics Marketing; and

David Birk, Senior Vice President and General Counsel, Avnet, Inc.

### **Compensation Philosophy and Objectives**

Avnet's compensation philosophy for total target remuneration, including all elements of compensation, benefits and perquisites for the executive officers including the NEOs, is that such remuneration should be approximately at the median of the marketplace for target performance. That marketplace historically has been generally comprised of companies that management has identified as Avnet's peer companies, including Arrow Electronics, Inc. and, less directly, Agilysys, Inc., Ingram Micro Inc., and Tech Data Corporation, as well as the companies that make up the Fortune 500 list of companies. The Company pays particular attention to the compensation trends and information regarding the companies that the

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Company believes are its most direct competitors for management talent. In the fourth quarter of fiscal 2008, the Compensation Committee engaged the independent compensation consulting firm of Steven Hall & Partners to assist the Committee in assuring that the executive compensation program is fair, reasonable and in the best interests of shareholders. The Committee has, with the consultant's assistance, identified additional groups of companies to use for reviewing and evaluating the compensation the Company pays to its executive officers, including the NEOs, commencing with fiscal 2009.

The compensation program at Avnet seeks to:

Provide fair and competitive compensation to attract, motivate and retain the talent that is critical to the long-term success of the Company

Encourage a performance-oriented culture to achieve above market results related to the key financial goals of the Company and the creation of superior returns for our shareholders

Balance the focus on short- and long-term goals

In recognition of these goals, we seek to position pay for Avnet executives such that:

We strive to establish base salaries that are near the median of the marketplace

Annual incentive opportunity provides for total cash compensation (base salary plus cash incentive) that is near the market median for expected performance, above the median for superior performance, and below the market for performance that does not reach target levels

Long-term incentive opportunities provide executives with the opportunity to earn total long term awards at about the median of the marketplace for expected performance, greater rewards based on superior performance, and below the market for performance that does not reach target levels

Benefits are conservative, but competitive with the marketplace

Perquisites are nominal and represent a minor component of total remuneration

As executives gain responsibility and seniority in Avnet and exercise a more direct influence over the Company's financial and operational performance, base salary will typically decrease as a percentage of total compensation, and annual cash incentive and long-term equity-based incentive compensation will increase as a percentage of total compensation. Additionally, the Company believes that executive ownership of Avnet shares further builds a strong alignment with Avnet's shareholders. As such, share ownership requirements and compensation programs that provide a meaningful portion of compensation in the form of equity-based awards support the goal of having executives think and behave like owners.

## **Overview of Avnet's Executive Compensation Practices**

*Role of the Compensation Committee.* The Compensation Committee has traditionally had the primary responsibility for the approval and implementation of the compensation program for the Chief Executive Officer (CEO) and the other executive officers. During the first quarter of each new fiscal year, the Committee leads the Board in conducting an annual assessment of the performance of the CEO in light of the performance goals and objectives that had been established for the Company and for the CEO in particular for the preceding fiscal year. The Committee also solicits input from each Director using a written form of CEO evaluation adopted by the Board, analyzes the input and reports

back to the full Board. The results of the evaluation are discussed with the CEO and are then considered by the Committee in setting new goals and the compensation plan for the CEO for the new fiscal year. Under the current Committee charter, the Committee recommended the compensation plan for the CEO to all of the independent members of the Board for their consideration and approval. In addition to its responsibilities in respect of the CEO's compensation, the Committee reviews and approves the compensation of all other executive officers of the Company, including the other NEOs.

In assessing the compensation plans for the CEO and the other executive officers, the Committee considers total compensation opportunities, both short- and long-term, while at the same time focusing

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attention on the competitiveness of each component of compensation. Actual incentive payouts, actual value received from long-term incentive awards and actual overall compensation levels with respect to any given year for any particular officer may vary from the targeted levels based on Avnet's consolidated and business unit performance.

*Role of Management.* At the beginning of each fiscal year, the CEO evaluates the performance of the Chief Operating Officer (COO); and the CEO or COO evaluate the performance of the other executive officers against the strategic operating plan for the prior fiscal year. In addition, the CEO's and the COO's evaluations of individual performance also focus on executive officers' leadership abilities, including their professional development and mentoring of their direct reports. This additional evaluation is carried out by evaluating, on a quarterly and annual basis, each executive officer's performance against a set of specific critical performance factors (CPFs) mutually set and agreed upon by the executive officer and the CEO or COO, as the case may be. CPFs for an individual executive officer are tailored to the duties and responsibilities of the particular officer, to challenges that his or her business or functional unit faces during a particular period (such as implementation of new enterprise reporting software, or integrating a significant acquisition, or assuming significant new or additional duties and responsibilities). Recent examples of CPFs for named executive officers include:

Develop executive talent systematically and maintain a viable succession plan

Direct and improve the process for acquisitions and the integration of acquisitions

Design and teach one course for the Company's global executive leadership development program in the area of responsibilities

Provide at least quarterly updates to direct reports regarding impact plans and actions arising from the FY08 employee satisfaction survey

Lead the Company's efforts relating to the development and implementation of cost and efficiency improvements throughout the organization

Each executive officer is also evaluated on his commitment to Avnet's core values of integrity, customer service, accountability, teamwork and innovation. These core values form the foundation of Avnet's performance- and values-based culture used in developing its overall strategies focused on profitable growth, operational excellence and people development—the driving forces behind Avnet's march toward becoming the premier technology marketing, distribution and services company, globally.

The CEO and COO, in consultation with the Chief Human Resources and Organizational Development Officer (CHROD), then develop compensation recommendations for the other executive officers. Factors that are weighed in making individual target compensation recommendations include:

the performance review conducted by the CEO or the COO;

value of the job in the marketplace;

relative importance of the position within the executive ranks of the Company in terms of responsibility;

individual tenure and experience, particularly within the Company; and

contributions to the Company's results.

The CEO or COO's review of an executive officer's performance with respect to his or her CPFs and commitment to Avnet core values are not a key part of the establishment of the executive officer's compensation. Such reviews, however, heavily influence the CEO's and/or COO's assessment of an executive officer's readiness for the types of responsibilities typically associated with a particular position. Once an executive officer's role and responsibilities are defined, value of the job in the marketplace and relative importance of the position within the executive ranks are the most determinative factors in setting the compensation plan for that executive officer, adjusted to take into consideration the executive officer's tenure and experience. Contributions to results as used in this CD&A refers to the contribution from the



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business unit or support unit over which an executive officer has direct responsibility or, in the case of executives with responsibilities over multiple business units or Avnet as a whole, from Avnet's overall results.

At the Committee's regularly scheduled meeting in August, the CEO and CHROD present the findings and compensation recommendations for each executive officer to the Committee for its review and consideration. The CHROD assists the Committee in its deliberations with respect to CEO compensation and in gathering market and industry data and analyses relating to CEO compensation. The other executive officers, except as described above, do not play a role in setting executive compensation.

*Role of Compensation Consultants and Benchmarking.* The Committee assesses the Company's executive compensation program against three types of references. One type of reference the Committee uses is compensation information for comparable executive positions at a group of industry peers, which information is gathered or derived primarily from such companies' respective filings with the SEC. These industry peer companies for fiscal 2008 include Agilysys, Arrow Electronics, Ingram Micro, and Tech Data.

The second type of reference the Committee uses are results of independent executive compensation surveys provided by the Committee's outside compensation consultant or by the Company's CHROD at the request of the Committee, as the Committee deems necessary. An array of companies are included in such surveys, and the surveys typically cover companies in the distribution of technology products or services sector with broad global scale and scope, companies with significant brand equity, companies that are recognized for best practices and companies with which the Company competes for talent. While the executive compensation information pertaining to industry peers provides the Committee with specific and concrete data against which the competitiveness of the Company's executive compensation programs may be compared, the results of the non-peer executive compensation surveys offer the broader context in which the compensation information of the industry peers and of the Company are reviewed for reasonableness and competitiveness. To assure that the Company's executive compensation programs and policies are fair, reasonable, competitive and provide a strong linkage to the creation of shareholder value, the Committee retained the independent compensation consulting firm of Steven Hall & Partners in the fourth quarter of fiscal 2008 to serve as advisor to the Committee on matters related to executive pay.

As the third type of reference, the Committee conducts its annual executive compensation review with the Company's past compensation practices and traditions in mind. Generally, the Committee briefly reviews various levels of primary compensation components paid to the CEO and the other executive officers in recent years, noting trends and percentage changes in the amount of compensation paid from year to year. The Committee believes that each of the three types of references serves a different purpose and, together, provide a balanced framework within which the Committee deliberates on the Company's annual executive compensation review. Against this backdrop, the Committee in the past typically would formally engage an independent compensation consultant at least once every three years to augment the information considered by the Committee in its annual review process. With the increasing attention on executive compensation, the Committee decided in early 2008 to engage Steven Hall & Partners as the Committee's independent consultant in connection with setting executive compensation plans and levels for the fiscal year ending in June 2009. The Committee has sole authority in the hiring and firing, and the approval of fees for, its independent consultant.

The Committee uses the comparative data as a reference for determining whether the compensation plans and levels paid by the Company and targeted by the Committee appear to be near the median amount paid by peer companies, recognizing that the SEC-derived data from other public companies filings is historic information regarding compensation decisions and resulting payment amounts that were usually set a year before the date the information was included in a filed report.

*Deductibility of Executive Compensation.* Section 162(m) of the Internal Revenue Code of 1986, as amended ( Section 162(m) ) disallows a federal income tax deduction to publicly held companies for certain compensation paid to the Company s chief executive officer and certain other executive officers to the extent that compensation exceeds \$1 million per executive officer covered by Section 162(m) in any

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fiscal year. The limitation applies only to compensation that is not considered performance based as defined in the Section 162(m) regulations.

In designing the Company's compensation programs, the Committee considers the effect of Section 162(m), as well as other factors relevant to the Company's business needs. The Company has historically taken, and intends to continue taking, reasonable and appropriate actions in respect of the deductibility of annual incentive and long-term compensation.

**Components of Executive Compensation**

Avnet executive compensation consists of three components – base salary, annual cash incentive compensation and long-term incentive compensation in the form of equity. The Committee believes that these three components serve different purposes and, together, serve the best interests of the Company and its shareholders.

**Base Salary.** Base salary is the guaranteed element of an executive's annual cash compensation. The value of base salary reflects the executive's long-term performance, skill set and the market value of that skill set. As is described in more detail under the heading "Employment Agreements and Change in Control Agreements" in this Proxy Statement, each of the NEOs has an employment agreement, which provides for an annual review of total compensation, including base salary. Each year, the Company undertakes the process described above in this CD&A in the "Overview of Avnet's Compensation Practices." As noted above, the Committee uses market and industry compensation data, gathered from multiple sources, to test for reasonableness and competitiveness of the Company's compensation program. Base salaries are not automatically increased if the Committee (or the independent directors in the case of the CEO's base salary) believes that other elements of compensation are more appropriate in light of the stated goals and objectives.

**Annual Cash Incentive Compensation.** In addition to base salary, executive officers are eligible to receive annual incentive cash compensation based on the performance of the Company and business unit (where appropriate) for which the executive has direct responsibility. The Company adopted the Executive Incentive Plan (the "Incentive Plan") in September 2002. The Incentive Plan was reapproved by shareholders at the Company's 2007 annual meeting in order for the incentive compensation payments pursuant to the Incentive Plan to continue to qualify as deductible expense under Section 162(m) of the Internal Revenue Code. Cash incentive awards are tied to performance goals measuring, depending on the executive, performance of either operating income, pre-tax income or net income to budgeted levels, adjusted by a factor measuring performance of return on working capital or return on total capital employed against pre-established goals. Performance goals for operating group presidents are weighted more heavily on the performance of the applicable operating group but contain a component based on the performance of the entire Company as well. Generally, the Committee sets the threshold, target and maximum levels so that the relative difficulty of achieving the target level is consistent from year to year. Even though the payout amount can vary greatly from year to year, the expectation is that, in a 10-year period and depending on the industry cycle, the Company should achieve at target or better performance at least 60% of the time or more. The table below outlines the payout factor (or multiple range) that applies to each performance level.

**Performance Level****Payout Range  
(as percentage of  
base salary)**

Below threshold	0%
At threshold but less than 95% of target	25% - 90%
Between 95% and 105% of target	95% - 105%

Between 106% of target and maximum

110% - 225%

For fiscal 2008, cash incentive compensation for the executive officers including the NEOs was based upon the percentage achievement of Avnet's fiscal 2008 budgeted net income after tax (NIAT) target (or the business unit's income before tax as applicable), modified by the ratio of actual return on capital

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employed (ROCE) to target ROCE. The factor on the NIAT portion of the incentive will be linear for actual results between 95% and 105% of the budget. If actual NIAT to budget is less than 95% or greater than 105%, the factor will be equal to the percentage of actual results to plan squared. For example, if actual NIAT is 110% of the budget, a factor of 121% (110% times 110%) will be applied to the target incentive. Additionally, maximum incentive is limited to 225% of the target incentive. If actual performance is less than 50% of budget, no incentive will be earned.

*Long-Term Incentive Compensation.* The Committee grants long-term incentive compensation awards under the Company's Long Term Incentive Plan ( LTIP ) based generally on each executive's individual contribution in a particular fiscal period and the executive's potential to contribute to the long-term success of the Company. The Committee believes that equity ownership for all executive officers is a useful compensation component for purposes of incentive, retention and alignment of interests with shareholders. During the 2008 fiscal year, the Committee awarded long-term incentive compensation pursuant to the 2006 Stock Compensation Plan (the 2006 Plan ), under which options, restricted stock, stock appreciation rights and other equity-based awards may be granted. Typically, the long-term incentive awards to an executive officer including the NEOs include incentive shares, stock options and performance shares with each type representing one third in value of the total award.

*Incentive Shares.* Under the 2006 Plan, the Committee (or the Independent Directors as a group in the case of the CEO) annually awards restricted stock units ( RSU ) to employees of the Company, including the CEO and other executive officers. The Committee makes allocations of RSUs, usually in August of each year at a regularly scheduled meeting of the Committee, in recognition of operating results achieved by the Company as a whole or by particular operating groups or business units in the preceding fiscal year and the expected contribution by the executive to the Company's future performance. RSUs vest in five installments, with the first installment to vest in January of the following year and the balance to vest in four equal annual installments thereafter, contingent upon continued employment (except in the case of death, disability or retirement of the employee or a change of control).

*Stock Options.* The Committee (or the Independent Directors as a group in the case of the CEO) grants options under the 2006 Plan to executive officers and other employees in consideration of their potential to contribute to the long-term success of the Company and in order to align their interests with those of the Company's shareholders. The Committee has the authority under the 2006 Plan to make awards of stock options from time to time, in its discretion, based on its evaluation of accomplishments achieved by an executive or other employee, upon a promotion or upon the hiring of an executive. In practice, stock options are generally granted on a regular basis each August, and occasionally other times during the year in connection with a new hire or promotion. All stock options granted by the Company during fiscal 2008 were granted with an exercise price equal to the closing price of the Common Stock on the date of grant and, accordingly, will have value only if and to the extent the market price of the Common Stock increases after that date. Stock options vest in four equal annual installments on the anniversaries of the grant date.

*Performance Shares.* The Committee (or the Independent Directors as a group in the case of the CEO) reviewed the Company's equity compensation program in 2005 with input from Mercer Human Resource Consulting, an independent compensation consultant engaged by the Committee. The review took into account factors such as the competitive landscape and changes in accounting rules, with the objective to ensure that the Company's compensation of its employees, including the executive officers, remain competitive and be closely linked to the Company's generation of economic profits and thereby be further aligned with shareholders' long term interests. As a result of this study, beginning with the Company's fiscal year ending in June 2006, the Committee provided eligible employees, including the CEO and other executive officers, with a portion of their long-term equity-based incentive compensation in the form of performance-based stock units ( PSPs ). The PSPs provide for the delivery to each grantee of a number of shares of the Company's Common Stock at the end of a three-year period based upon the Company's achievement of performance goals established by the Committee

at the beginning of each three-year

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period. The Committee establishes a target number of shares for each executive officer (and for each other participating employee or group of participating employees) as well as target performance goals based upon the pre-established target in improvement of the Company's economic profit. If the achieved goals equal 100% of the targeted performance goals, the executive will receive 100% of the target number of shares, and the executive receives fewer shares or more shares (from 0% up to 200% of his or her targeted number of shares) if the achieved goals are less than or more than the target performance goals. These performance goals are based upon a three-year cumulative increase in the Company's absolute economic profit (referred to as EP in the table below) over the prior three-year period and the increase in the Company's economic profit relative to the increase in the economic profit of a peer group of corporations. The following table outlines the payout factors that apply to various performance levels.

		<b>Percentage of Performance Stock Units Vesting</b>			
3-year Size Adjusted Cumulative EP Improvement (Relative)	Maximum: >= +5.0%	50%	100%	150%	200%
	Target: 0.0% to 0.5%	25%	50%	100%	150%
	Threshold: -5.0%	0%	25%	50%	150%
	Below Threshold: <-5.0%	0%	0%	25%	50%
		Below Threshold: <\$MM	Threshold: \$MM	Target: \$MM	Maximum: \$>=\$
3-year Cumulative EP Improvement (Absolute)					

By way of example, under the above payout matrix, an eligible executive would not receive any of the PSPs allotted to the executive for a given plan cycle if the Company's 3-year cumulative EP improvement achieved on both an Absolute and Relative basis were below Threshold. The executive would receive 50% of the allotted PSPs if the Company's 3-year cumulative EP improvement achieved the Target on either the Relative or Absolute axis but achieved only Threshold on the other axis. The same executive would receive up to 200% of the allotted PSPs if the Company's 3-year cumulative EP improvement reached the stated Maximum goal on both the Absolute and Relative axis. Under the terms of the Performance Share Plan, which terms have been filed with the SEC, receipt of the PSPs is also contingent upon continued employment at the end of the three-year performance period in all cases except in the case of death, disability, retirement or a change of control in which case an eligible executive would be entitled to receiving a pro rata number of PSPs (in the case of death or disability) or all of the PSPs (in the case of retirement or a change of control) earned for the 3-year program cycle.

**Equity Grant Practices.** As was mentioned earlier in this CD&A, the exercise price of each stock option awarded to the executive officers under the option plan is the closing price of Avnet's common stock on the date of grant, which typically is the date of the regularly scheduled meeting of the Compensation Committee in August of each year. Options may also be granted in connection with a new hire or a promotion, in which cases options may be granted at or about the time of hiring or promotion. PSPs and RSUs are also granted to eligible employees including the named executive officers at the August meeting. Board and committee meetings are generally scheduled at least one year in advance. Scheduling decisions are made without regard to anticipated earnings or the major announcements by the Company. Repricing of stock options without shareholder approval is prohibited under the 2006 Plan.

*Stock Ownership Guidelines.* With a significant portion of each executive officer's total compensation in the form of equity-based incentives, the executive officers have a substantial interest and incentive to take steps to ensure profitable growth of the Company to drive long-term shareholder returns. To further reinforce this focus, the Committee has established stock ownership guidelines for all executive officers.



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The guidelines provide that the named executive officers should hold shares of the Company's Common Stock, with a market value equal to a multiple of each officer's base salary, as set forth below:

Chief Executive Officer	Shares with market value equal to 3 times base salary
Other Named Executive Officers	Shares with market value equal to 2 times base salary

Shares that count toward the guidelines include shares actually owned by the officer. Options, vested or unvested, do not count towards the ownership requirement under the guidelines. Until the ownership requirement under the guidelines is met, a covered officer must hold at least 50% of any net shares he or she receives upon the exercise of options or upon the delivery of any RSU or PSP awards. Net shares means the number of shares to be issued after the deduction of the number of shares with an aggregate market value equal to the aggregate amount of exercise price (in the case of option exercise) plus the amount due to mandatory tax withholdings. The Company and the Committee believe that this mandatory holding feature under the Stock Ownership Guidelines effectively requires each of the covered officers of the Company to hold a certain number of the Company's stock for as long as they are an executive officer of the Company.

**Actual Compensation for the NEOs in Fiscal 2008**

Applying the compensation philosophy and objectives discussed above, the Committee recommended and the Board approved at its regularly scheduled meeting in August 2007 that Mr. Vallee's base pay for fiscal 2008 be \$995,000; that his cash incentive target be one time the base pay (\$995,000) and his targeted long term incentives be 1.65 times his total cash target compensation (\$3,283,000). Based on the Company's actual financial performance in net income after tax and return on capital employed measured against the pre-established targets, Mr. Vallee received 89.4% of his target annual cash incentive. The actual payouts in annual cash incentive for the other executive officers including the NEOs range from 61.4% to 96.7% of their respective annual cash incentive targets.

The first 3-year cycle under the Performance Share Program started in fiscal 2006 and ended at the end of fiscal 2008. The actual payouts to the NEOs are included in columns (d) and (e) of the table entitled "Option Exercises and Stock Vested" of this Proxy Statement, with additional discussion in the narratives following that table.

As at the end of fiscal 2008 on June 28, 2008, the 2007-2009 and the 2008-2010 performance programs were performing at 150% and 40%, respectively, against the pre-established targets for the performance period.

**Employee and Post-Employment Benefits**

*Pension Plan and SERP.* An important retention tool is the Avnet Pension Plan (the "Pension Plan") which covers United States employees of Avnet, including all of the named executive officers. The Pension Plan is a broad-based tax-qualified defined benefit plan with a cash balance feature. In addition, Avnet has in place the Executive Officers Supplemental Life Insurance and Retirement Program ("SERP") in which each named executive officer participates. The SERP is another retention tool because entitlement to the SERP benefits is contingent upon the satisfaction of certain age and service requirements. The Company balances the effectiveness of these plans as a compensation and retention tool with the cost to the company of providing them. The benefit formula under the Pension Plan and the SERP is described in the Pension Benefits Table.

*Deferred Compensation.* The Company has a Deferred Compensation Plan for highly compensated employees including all of the named executive officers, allowing these employees to set aside a portion of their income for retirement on a pre-tax basis, in addition to the amounts allowed under the Company's 401(k) Plan, at a minimal cost to the Company. Under this unfunded program, amounts deferred by a participant are credited with earnings based

upon the returns actually obtained through the deemed investment selected by the executive, as described in more detail following the Nonqualified Deferred Compensation Table.

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*Perquisites.* The Company provides named executive officers with a limited number of perquisites that the Company and the Committee believe are reasonable and consistent with its overall compensation program, and necessary to remain competitive. The Committee periodically reviews the level of perquisites provided to the named executive officers. Costs associated with perquisites provided by the Company are included under All Other Compensation in the following Summary Compensation Table.

*Employment Agreements and Change in Control Agreements.* Each of the named executive officers has entered into an employment agreement and a change in control agreement with the Company. The change in control agreements are intended to encourage retention in the face of the disruptive impact of an actual or attempted change in control of the Company. The agreements are also intended to align executive and shareholder interests by enabling executives to consider corporate transactions that are in the best interests of the shareholders and other constituents of the Company without undue concern over whether the transactions may jeopardize the executives' own employment. The Company has also undertaken to modify all such agreements to the extent necessary to comply with Section 409A of the Code. More detailed descriptions of these programs are included under the heading Potential Payouts Upon Termination and Change in Control.

**Table of Contents****COMPENSATION OF AVNET EXECUTIVE OFFICERS**

The following table sets forth information concerning the compensation during Avnet's last two fiscal years of its Chief Executive Officer, the Chief Financial Officer and the three executive officers at the end of last fiscal year who had the highest individual total compensation during Avnet's fiscal year ended June 28, 2008:

**SUMMARY COMPENSATION TABLE**

Name and Principal Position (a)	Year (b)	Salary (\$) <sup>(1)</sup> (c)	Stock Awards (\$) <sup>(2)</sup> (e)	Option Awards (\$) <sup>(2)</sup> (f)	Non-Equity Incentive Plan Compensation (\$) <sup>(1)</sup> (g)	Change in Pension Value and Nonqualified Deferred Compensation		Total (\$) (j)
						Earnings (\$) <sup>(3)</sup> (h)	All Other Compensation (\$) <sup>(4)</sup> (i)	
Roy Vallee Chief Executive Officer	2008	995,000	3,361,756	1,761,715	889,715	15,104	32,311	7,055,601
	2007	950,000	4,446,297	2,365,275	1,307,300	678,006	33,883	9,780,761
Raymond Sadowski Senior Vice President and Chief Financial Officer	2008	470,000	676,468	328,587	205,663	10,566	20,916	1,712,200
	2007	450,000	431,254	278,865	309,624	247,868	22,801	1,740,412
Richard Hamada Senior Vice President and Chief Operating Officer	2008	590,000	638,006	326,767	430,997	77,788	21,773	2,085,331
	2007	540,000	585,390	299,276	594,477	307,658	21,145	2,347,946
Harley Feldberg Senior Vice President and President, Avnet Electronics Marketing	2008	475,000	1,037,109	611,081	372,215	26,184	24,023	2,545,612
	2007	450,000	581,275	429,055	426,537	426,874	21,588	2,335,329
David Birk Senior Vice President and General Counsel	2008	455,000	505,810	272,105	174,366	54,396	22,489	1,484,166
	2007	440,000	623,289	300,597	249,075	244,046	147,828	2,004,835

(1) Mr. Feldberg deferred a portion of his salary and his non-equity incentive compensation under the Deferred Compensation Plan, which is included in the Nonqualified Deferred Compensation Table.

(2) This column represents the dollar amount recognized for financial statement reporting purposes with respect to fiscal years 2008 and 2007 for the fair value of PSPs and RSUs (or options in the case of column (f)) granted in fiscal 2008 as well as in prior fiscal years, in accordance with the Statement of Financial Accounting Standards No. 123R ( SFAS 123R ). Pursuant to the SEC rules, the amounts shown exclude the impact of estimated

forfeitures related to service-based vesting conditions. The amount expensed in accordance with SFAS 123R takes into account the earliest date on which the executive would be eligible to retire and reflects the accelerated amortization of the equity compensation costs that are fully expensed by that retirement date. Based upon the age and years of service of the named executive officers, this affected the amounts reflected in the table above by varying degrees. For additional information, refer to note 12 of the Footnotes to Avnet's financial statements in the Form 10-K for the year ended June 28, 2008, as filed with the SEC. See the Grants of Plan-Based Awards Table for information on awards made in fiscal 2008. These amounts reflect the company's accounting expense for these awards, and do not correspond to the actual value that will be recognized by the named executive officers.

- (3) The amount shown for fiscal year 2008 represents the change in the actuarial present value of accumulated benefits under the Pension Plan and SERP. In the case of Mr. Vallee and Mr. Sadowski, the change in the actuarial present value of accumulated benefits under the SERP for 2008 are negative amounts of \$12,242 and \$5,859 respectively, and are therefore not reflected in the above

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table. The amount shown for fiscal year 2007 also includes, for Messrs. Vallee and Feldberg, the amount of earnings on each of Messrs. Vallee's and Feldberg's account in the Non-Qualified Deferred Compensation (NQDC) plan in excess of the applicable federal rate of return (or the above-market portion). The above-market portion in fiscal 2007 for Mr. Vallee's NQDC included in this column is \$22,819, and for Mr. Feldberg \$74,351. There was no above-market portion in fiscal 2008.

- (4) The amount includes (a) Company-paid expenses associated with a leased automobile for each of the named executive officers, (b) Company matching contributions to each named executive officer's Avnet 401(k) account, (c) imputed income on life insurance provided under the executive officers' supplemental life insurance program, (d) the cost of annual physical exams, and in the case of Mr. Vallee, (e) club membership dues reimbursed by Avnet. For fiscal 2007 also included for Mr. Birk is a tax reimbursement of \$125,970 in connection with his expatriate assignment completed in fiscal 2006. None of the perquisites and personal benefits individually exceeded the greater of \$25,000 or 10% of the total amount of these benefits for the named executive officer.

**Grants of Plan-Based Awards**

The following table provides information about equity and non-equity plan-based awards to the named executive officers in fiscal 2008 relating to (1) annual cash incentive awards; (2) the RSUs; (3) the PSPs and (4) the option grants. The actual payouts in fiscal 2008 under the Non-Equity Incentive Plan Awards are included in the Summary Compensation Table as are the expenses recorded by the Company associated with the awards under the Equity Incentive Plan in accordance with SFAS 123R.

Grant	Estimated possible Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards (#) <sup>(1)(2)</sup>			All Other Stock Awards: Number of Shares of Stock or Units (#) <sup>(2)</sup>	All Other Option Awards: Number of Securities Underlying Options (#) <sup>(2)</sup>	Exercise or Base Price of Option Awards (\$/Sh) (k)
	Threshold	Target	Maximum	Threshold	Target	Maximum			
Date (b)	(\$) (c)	(\$) (d)	(\$) (e)	(#) (f)	(#) (g)	(#) (h)	(#) (i)	(#) (j)	(k)
8/9/2007	248,750	995,000	2,238,750				32,770		
8/9/2007				8,193	32,770	65,540			
8/9/2007								75,796	34.34
owski	8/9/2007	57,500	230,000	517,500			6,985		
	8/9/2007				1,746	6,985	13,970		
	8/9/2007							16,160	34.34
ada	8/9/2007	120,500	482,000	1,084,500			13,375		
	8/9/2007				3,344	13,375	26,750		
	8/9/2007							30,932	34.34

8/9/2007	96,250	385,000	866,250				8,585		
8/9/2007				2,146	8,585	17,170			
8/9/2007								19,852	34.34
8/9/2007	48,750	195,000	438,750				5,520		
8/9/2007				1,380	5,520	11,040			
8/9/2007								12,764	34.34

(1) As discussed in the CD&A under Annual Incentive Compensation and Long Term Incentive Compensation, the possible payout at threshold level is pegged at 25% of target amount, at 100% of target amount if all of the pre-established financial goals are achieved, and up to a maximum of 225% (or 200% in the case of the PSP awards under the Equity Incentive Awards) of the target amount if the achievement of the pre-established financial goals reaches or exceeds the target maximum. Achievement below the threshold in the case of non-equity awards and PSPs would yield a payout of \$0 or zero units, respectively. The actual payout or expense amount for each named executive officer in fiscal 2008 is shown in columns (e) and (g) of the Summary Compensation Table.

(2) The vesting schedules for the PSPs, RSUs and the Option grants made in fiscal 2008 are as follows:

**Type of Awards Made in Fiscal 2008**

**Vesting Schedule**

Performance Stock Units (PSPs)	will vest, if at all, at the end of fiscal 2010 (July 3, 2010)
Restricted Stock Units (RSUs)	20% each on the first business day in January of 2008 through 2012
Options	25% each on the first through fourth anniversary of grant date

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(3) For additional description of the terms and awards of PSPs, RSUs and option awards made in fiscal 2008, see the Performance Shares, Incentive Shares, and Stock Options in the Compensation Discussion and Analysis included above in this Proxy Statement section and note 12 of the Notes to the financial statements included in Avnet's Form 10-K for the fiscal year ended June 28, 2008, as filed with the SEC.

**Outstanding Equity Awards at Fiscal Year-End**

The following table provides information on the current holdings of stock option and stock awards by the named executive officers as of June 28, 2008. This table includes unexercised and unvested option grants, unvested RSUs, or PSPs with performance conditions that have not yet been satisfied. Each equity grant is shown separately for each named executive officer. The vesting schedule for each grant is shown following this table, based on the option grant date or stock award date. The market value of the stock awards is based on the closing market price of Avnet stock as of June 28, 2008, which was \$27.55. The PSPs are subject to specified performance objectives over the performance period. The market values as of June 28, 2008, shown in columns (h) and (j) below, assume 100% achievement of these performance objectives. For additional information about the option grants and stock awards, see the description of equity incentive compensation in the Compensation Discussion and Analysis included elsewhere in this Proxy Statement and note 12 of the Notes to the financial statements included in Avnet's Form 10-K for the fiscal year ended June 28, 2008, as filed with the SEC.

Option Grant Date	Option Awards		Option Exercise Price (\$)	Option Expiration Date	Stock Award Grant Date	Stock Awards		
	Number of Securities Underlying Unexercised Options (#) (b)	Number of Securities Underlying Unexercised Options (#) (c)				Number of Shares or Units of Stock That Have Not Vested (RSUs)(#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (PSPs)(#) (i)
9/24/1999	100,000		\$ 21.50	9/23/2009				
9/29/2000	210,000		\$ 28.75	9/28/2010				
9/27/2001	325,000		\$ 17.50	9/26/2011				
9/20/2002	325,000		\$ 12.95	9/19/2012				
9/19/2003	325,000		\$ 18.13	9/18/2013				
9/23/2004	126,000	42,000	\$ 17.47	9/22/2014	9/23/2004	11,200	308,560	
9/23/2005	43,356	43,356	\$ 24.78	9/22/2015	9/23/2005	17,342	477,772	
8/10/2006	25,181	75,543	\$ 16.96	8/09/2016	8/10/2006	30,216	832,451	50,360



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	8/09/2007		75,796	\$ 34.34	8/08/2017	8/09/2007	26,216	722,251	32,770
Sadowski	9/27/2001	25,000		\$ 17.50	9/26/2011				
	9/20/2002	50,000		\$ 12.95	9/19/2012				
	9/19/2003	50,000		\$ 18.13	9/18/2013				
	9/23/2004	19,395	6,465	\$ 17.47	9/22/2014	9/23/2004	1,724	47,496	
	9/23/2005	8,258	8,258	\$ 24.78	9/22/2015	9/23/2005	3,304	91,025	
	8/10/2006	5,422	16,266	\$ 16.96	8/09/2016	8/10/2006	6,507	179,268	10,845
	8/09/2007		16,160	\$ 34.34	8/08/2017	8/09/2007	5,588	153,949	6,985
mada	9/19/2003	12,500		\$ 18.13	9/18/2013				
	9/23/2004	6,465	6,465	\$ 17.47	9/22/2014	9/23/2004	1,724	47,496	
	9/23/2005	5,405	10,810	\$ 24.78	9/22/2015	9/23/2005	4,324	119,126	
	8/10/2006		29,277	\$ 16.96	8/09/2016	8/10/2006	11,712	322,666	19,520
	8/09/2007		30,932	\$ 34.34	8/08/2017	8/09/2007	10,700	294,785	13,375
lberg	1/26/2001	25,000		\$ 26.00	1/25/2011				
	9/20/2002	15,000		\$ 12.95	9/19/2012				
	9/19/2003	7,500		\$ 18.13	9/18/2013				
	5/13/2004	50,000		\$ 21.92	5/12/2014				
	9/23/2004	6,465	6,465	\$ 17.47	9/22/2014	9/23/2004	1,724	47,496	
	9/23/2005	9,760	9,760	\$ 24.78	9/22/2015	9/23/2005	3,904	107,555	
	8/10/2006	6,506	19,518	\$ 16.96	8/09/2016	8/10/2006	7,806	215,055	13,010
	8/09/2007		19,852	\$ 34.34	8/08/2017	8/09/2007	6,868	189,213	8,585
	9/19/2003	12,500		\$ 18.13	9/18/2013				
	9/23/2004	6,465	6,465	\$ 17.47	9/22/2014	9/23/2004	1,724	47,496	
	9/23/2005	7,658	7,658	\$ 24.78	9/22/2015	9/23/2005	3,064	84,413	
	8/10/2006	4,241	12,723	\$ 16.96	8/09/2016	8/10/2006	5,088	140,174	8,480
	8/09/2007		12,764	\$ 34.34	8/08/2017	8/09/2007	4,416	121,661	5,520

**Table of Contents****Vesting schedules:**

Stock Options All stock options vest in 25% annual increments commencing one year from the Grant Date

Stock Awards (RSUs) All RSUs vest in 20% annual increments commencing in the January following the Grant Date

Performance Share Program Awards (PSPs) All PSPs vest, if at all, depending on whether performance objectives are met, on the last day of the fiscal year coincident with the end of the three-year performance period.

**Option Exercises and Stock Vested**

The following table provides information as to each of the named executive officers, (1) stock option exercises during fiscal 2008, including the number of shares acquired upon exercise and the value realized and (2) the number of shares acquired upon the vesting of stock awards in the form of RSUs and PSPs, and the value realized, each before payment of any applicable withholding tax.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
(a)	(b)	(c)	(d)	(e)
Roy Vallee	100,000	2,253,000	118,525	3,677,520
Raymond Sadowski			22,570	700,247
Richard Hamada	9,759	224,750	30,918	964,235
Harley Feldberg			26,461	820,217
David Birk			20,549	636,164

Included above under Stock Awards are the RSUs and the associated value realized on vesting based upon the stock price of \$34.64 on the January 2, 2008 issuance date for: Mr. Vallee 36,497 shares and \$1,264,256; Mr. Sadowski 6,942 shares and \$240,471; Mr. Hamada 10,465 shares and \$362,508; Mr. Feldberg 7,995 shares and \$276,947; and Mr. Birk 6,056 shares and \$209,780. Also included are the PSPs and the associated value realized on vesting based upon the stock price of \$29.42 on the actual issuance date of August 27, 2008 for Mr. Vallee 82,028 shares and \$2,413,264; Mr. Sadowski 15,628 shares and \$459,776; Mr. Hamada 20,453 and \$601,727; Mr. Feldberg 18,466 and \$543,270; and Mr. Birk 14,493 and \$426,384.

**Pension Benefits**

Further to the discussion on the Avnet Pension Plan in the Compensation Discussion and Analysis section of this Proxy Statement, the Pension Plan is a type of defined benefit plan commonly referred to as a cash balance plan. A participant's benefit under the Pension Plan is based on the value of the participant's cash balance account, which is used for record keeping purposes and does not represent any assets of the Pension Plan segregated on behalf of a participant. A participant's cash balance account equals the actuarial present value of his or her accrued benefit under the Pension Plan. The accumulated benefit in a participant's cash balance account is approximately equal to the

actuarial present value (using certain actuarial assumptions under the Pension Plan) of a deferred annuity benefit payable at age 65 determined by aggregating 2% of a participant's annual earnings for each year of employment during which an employee was a participant in the Pension Plan. In general, the Pension Plan defines annual earnings as a participant's base salary, commissions, royalties, annual cash incentive compensation and amounts deferred pursuant to plans described in Sections 125 or 401(k) (i.e., the Avnet 401(k) Plan) of the Internal Revenue Code of 1986, as amended (the Code). No benefit is accrued under the Pension Plan on annual

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earnings exceeding \$100,000 in any plan year. The Pension Plan offers participants distributions in the form of various monthly annuity payments and, in most cases, a lump sum distribution option is also available to participants who have terminated employment with Avnet. The Company has been reviewing necessary amendments to the benefits formula under the Pension Plan due to the changes made to the Code by the Pension Protection Act of 2006, but has decided to defer any such amendments until corresponding final regulations are issued under the Code.

The Company also maintains an Executive Officers Supplemental Life Insurance and Retirement Program ( SERP ) in which each named executive officer participates. This program provides for: (1) payment of a death benefit to the designated beneficiary of each participating officer who dies while he or she is an employee of the Company in an amount equal to twice the yearly earnings (including salary and cash incentive compensation) of such officer; (2) a supplemental retirement benefit payable at age 65 (if the officer has satisfied certain age and service requirements) payable monthly (or in a lump sum under certain circumstances) to such officer or his or her beneficiary for ten years in an amount not to exceed 36% of the officer's eligible compensation, which is defined as the average of the highest two of the last five year's cash compensation prior to termination; or (3) a supplemental early retirement benefit equal to the benefit described in (2) above, except that such amount is reduced for each month prior to age 65 that the participant elects to begin receiving the 120 monthly payments. The Company expects to amend the SERP fore December 31, 2008 to comply with Section 409A of the Code.

The table below shows the present value of accumulated benefits payable to each of the named executive officers, including the number of years of service credited to each such named executive officer, under each of the Pension Plan and the SERP determined using interest rate and mortality rate assumptions consistent with those used in the Company's financial statements. No payments were made during fiscal 2008 under the Avnet Pension Plan or the SERP to any named executive officer.

**Pension Benefits**

<b>Name</b> <b>(a)</b>	<b>Plan Name</b> <b>(b)</b>	<b>Number of Years Credited Service (#) (c)</b>	<b>Present Value of Accumulated Benefit (\$) (d)</b>
Roy Vallee	Avnet Pension Plan	30.0	293,278
	SERP	31.4	3,037,553
Raymond Sadowski	Avnet Pension Plan	28.5	216,357
	SERP	29.9	930,312
Richard Hamada	Avnet Pension Plan	23.5	151,284
	SERP	24.6	1,012,054
Harley Feldberg	Avnet Pension Plan	25.0	224,788
	SERP	26.7	1,168,326
David Birk	Avnet Pension Plan	26.5	347,538
	SERP	27.5	1,341,008

**Nonqualified Deferred Compensation**

Avnet offers the Avnet Deferred Compensation Plan ( DCP ) for highly compensated employees defined as those earning more than \$100,000 or more in target income for plan years before 2009 and those earning \$150,000 or more

in target income for the 2009 and future plan years, including all of the named executive officers, allowing these employees to set aside a portion of their income for retirement on a pre-tax basis, in addition to the amounts allowed under the Avnet 401(k) Plan. A DCP participant may defer up to 50% of his or her salary and up to 100% of his or her incentive and bonus compensation earned during the plan year (regardless of when paid). Participants may choose from a selection of mutual funds and other investment vehicles in which the deferred amount is then deemed to be invested. Earnings on the amounts deferred are determined by the returns actually obtained through the deemed investment

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options and added to the account. The deferred compensation and the amount earned are held under the Avnet Deferred Compensation Rabbi Trust, but are subject to the claims of general creditors of the Company. Also, the obligation to distribute the amounts according to the participants' designation is a general obligation of the Company. Of the named executive officers, Messrs. Vallee and Feldberg were participants in the DCP and only Mr. Feldberg deferred a portion of his cash compensation in fiscal 2008.

In fiscal 2008, due to market conditions, Messrs. Vallee's and Feldberg's DCP accounts had investment losses, and as such there were no above-market earnings disclosed in column (h) of the Summary Compensation Table.

Name	Executive Contribu- tions in Last FY	Registrant Contributions in Last FY	Aggregate Earnings in Last FY	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE
(a)	(\$) (b)	(\$) (c)	(\$) (d)	(\$) (e)	(\$) (f)
Roy Vallee					567,945
Raymond Sadowski					
Richard Hamada					
Harley Feldberg	180,025				943,723
David Birk					

**Potential Payouts Upon Termination****Employment Agreements**

Roy Vallee entered into an employment agreement with the Company effective the beginning of fiscal year 2003. Under the terms of the agreement, at its regularly scheduled meeting on August 7, 2008 and acting upon the recommendation from the Compensation Committee, the Board of Directors fixed Mr. Vallee's annual base compensation at \$1,050,000 for fiscal 2009. The initial term of the agreement was for three years, and is thereafter automatically renewed for additional one year terms, until the agreement is terminated in accordance with its provisions. Under this employment agreement, Mr. Vallee's incentive compensation is determined pursuant to the Incentive Plan or any successor plan, or otherwise as determined by all of the independent directors of the Board. Under the Incentive Plan, he is eligible to receive cash incentive compensation based on the Company's performance measured against performance goals set by the Committee.

If Mr. Vallee becomes disabled during the term of the employment agreement, the Company shall pay an annual disability benefit of \$300,000 until his disability ceases or his death. If Mr. Vallee retires or terminates his employment agreement by giving one-year prior notice or if the Company experiences a change of control, the Company will pay to Mr. Vallee his base salary through his termination date and he will be eligible to receive any annual incentive compensation payment or the pro-rata portion earned through such termination date. If the Company does not continue to employ Mr. Vallee in his position as Chairman and chief Executive Officer of Avnet without cause and without prior notice, the Company shall engage Mr. Vallee as a consultant for a period of 24 months following the termination and shall compensate Mr. Vallee at an annual rate (to be paid monthly in arrears) equal to the highest aggregate base salary and incentive compensation paid to him in any one fiscal year during the three most recently completed fiscal years. In addition, during such consulting engagement, Mr. Vallee shall receive the same or substantially equivalent benefits with respect to medical and life insurance and with respect to the use of a company

furnished automobile as he received while an employee.

In the event of actual or constructive termination within 24 months of a change in control, the Company must pay to Mr. Vallee all accrued base salary and pro-rata incentive payments, plus 2.99 times the sum of (i) his then current annual base salary; and (ii) the average incentive compensation for the highest two of the last five fiscal years. Further, unvested stock options shall accelerate and vest in accordance with the early vesting provisions under the applicable stock option plans, and all equity incentive awards granted, but not yet delivered, will be accelerated and delivered. For this purpose, a constructive termination

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includes a material diminution in Mr. Vallee's responsibilities, relocation of his office more than fifty miles without his consent, a material reduction in his compensation and benefits or his ceasing to serve on the Board of Directors of Avnet. A change of control is defined as including the acquisition of voting or dispositive power with respect to 50% or more of the outstanding shares of Common Stock other than an acquisition approved by the Board of Directors prior to the effective date of such an acquisition, a change in the individuals serving on the Board of Directors so that those serving on the effective date of Mr. Vallee's Employment Agreement (June 29, 2002) and those persons appointed by such individuals to the Board no longer constitute a majority of the Board, or the approval by shareholders of a liquidation, dissolution or sale of substantially all of the assets of the Company.

David R. Birk, a Senior Vice President, General Counsel and Corporate Secretary, Harley Feldberg, a Senior Vice President and President of Avnet Electronics Marketing, Richard Hamada, a Senior Vice President and Chief Operating Officer and Raymond Sadowski, a Senior Vice President and Chief Financial Officer, entered into employment agreements with the Company effective June 29, 1998, July 4, 2004, May 1, 2000 and June 29, 1998, respectively. The employment agreements are terminable by either Messrs. Birk, Feldberg, Hamada and Sadowski or the Company upon one-year prior written notice to the other. The amount of compensation to be paid to Messrs. Birk, Feldberg, Hamada and Sadowski is not fixed and is to be agreed upon by Messrs. Birk, Feldberg, Hamada or Sadowski and the Company from time to time. In the event Mr. Birk's, Mr. Hamada's or Mr. Sadowski's employment is terminated with one year's notice and they and the Company shall have failed to agree upon the compensation to be paid during all or any portion of the one year notice period prior to termination, their compensation during the notice period will remain the same as was most recently agreed upon. Mr. Feldberg's employment agreement is similar in all material aspects except that the agreement had an initial term of two years that expired on July 4, 2006 and that, in the event Mr. Feldberg's employment is terminated with one year's notice and he and the Company fail to agree upon the compensation to be paid during all or any portion of the one year notice period prior to termination, then Mr. Feldberg's compensation (base salary and incentive compensation) during the notice period shall be equal to the cash compensation earned by Mr. Feldberg during the four completed fiscal quarters preceding the date on which notice is given.

Messrs. Birk, Feldberg, Hamada and Sadowski have entered into change of control agreements with Avnet, which provide that, if within 24 months following a change of control, the Company or its successor terminates their employment without cause or by constructive termination, Messrs. Birk, Feldberg, Hamada and Sadowski will be paid, in a lump sum payment, an amount equal to 2.99 times the sum of (i) his annual salary for the year in which such termination occurs and (ii) the average of his incentive compensation for the highest two of the last five full fiscal years. In addition, all unvested stock options shall accelerate and vest in accordance with early vesting provisions under the applicable stock option plans and all incentive stock program shares allocated but not yet delivered will be accelerated so as to be immediately deliverable. A change of control is defined as including the acquisition of voting or dispositive power with respect to 50% or more of the outstanding shares of Common Stock other than an acquisition approved by the Board of Directors prior to the effective date of such an acquisition, a change in the individuals serving on the Board of Directors so that those serving on the effective date of the Change of Control Agreement, and those persons appointed by such individuals to the Board, no longer constitute a majority of the Board, or the approval by shareholders of a liquidation, dissolution or sale of substantially all of the assets of Avnet.

## **Change of Control Agreements**

Each of our named executive officers is party to a change in control severance agreement providing for benefits only upon both a change in control that is not authorized by the Board of Directors and the subsequent termination of employment of the executive without cause. As the definition of "Change of Control Termination" states, the Company's payment obligation under the change of control agreements with respect to unearned benefits is triggered only upon the occurrence of a double trigger—a change in control (as defined in the agreement) followed by an involuntary loss of employment within two years thereafter.





**Table of Contents****Potential Payouts upon Termination Table**

The following table sets forth the estimated payments and value of benefits that each of the named executive officers would be entitled to receive under their employment and change of control agreements, as applicable, in the event of the termination of his employment under various scenarios, assuming that the termination occurred on June 28, 2008, which is the Company's fiscal year end, and further assuming that each of the named executive officers is eligible for retirement on that date. The amounts represent the entire value of the estimated liability, even if some or all of that value has been disclosed elsewhere in this proxy statement.

As used in this section:

**Death** refers to the death of executive;

**Disability** refers to the executive becoming permanently and totally disabled during the term of his employment as certified by a competent medical personnel;

**Company Termination Without Cause** means that the executive is fired without cause (as defined in the employment agreement);

**Change of Control Termination** means the occurrence of both a change of control and the termination of the executive without cause within 24 months of the change; and

**Retirement** for the purpose of determining benefit under the stock plans, means all of the following: (a) age 55, (b) 5 years of service, (c) age + years of service is equal to at least 65, and (d) the executive must have signed a 2-year non-compete agreement.

	<b>Death</b>	<b>Disability</b>	<b>Company Termination w/o Cause</b>	<b>Change In Control</b>	<b>Retirement</b>
Roy Vallee:					
Severance			4,514,600	6,515,191	
Settlement of stock options	13,334,593	13,334,593	14,678,049	14,678,049	14,678,049
Settlement of incentive stock	2,341,034	2,341,034	2,341,034	2,341,034	2,341,034
Settlement of performance shares	3,485,754	3,485,754	4,550,103	4,550,103	4,550,103
Accrued vacation pay out	93,569	93,569	93,569	93,569	93,569
Welfare benefits			53,564	53,564	
Life insurance benefit	4,269,430				
Avnet Pension	132,163	264,326	264,326	264,326	264,326
SERP		3,037,553	3,037,553	3,037,553	3,037,553
Excise Taxes and Gross Up					
Raymond Sadowski					
Severance				2,230,640	
Settlement of stock options	1,728,046	1,728,046	1,728,046	1,988,344	1,988,344
Settlement of incentive stock	471,738	471,738		471,738	471,738
	693,884	693,884		921,768	921,768

Settlement of performance shares					
Accrued vacation pay out	44,914	44,914	44,914	44,914	44,914
Welfare benefits				48,568	
Life insurance benefit	1,851,326				
Avnet Pension	96,004	192,008	192,008	192,008	192,008
SERP		930,312	930,312	930,312	930,312
Excise Taxes and Gross Up					

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	<b>Death</b>	<b>Disability</b>	<b>Company Termination w/o Cause</b>	<b>Change In Control</b>	<b>Retirement</b>
Richard Hamada					
Severance				3,297,184	
Settlement of stock options	197,889	197,889	197,889	603,043	603,043
Settlement of incentive stock	784,073	784,073		784,073	784,073
Settlement of performance shares	1,044,824	1,044,824		1,469,737	1,469,737
Accrued vacation pay out	52,676	52,676	52,676	52,676	52,676
Welfare benefits				50,948	
Life insurance benefit	2,541,994				
Avnet Pension	65,431	130,861	130,861	130,861	130,861
SERP		1,012,054	1,012,054	1,012,054	1,012,054
Excise Taxes and Gross Up				1,260,975	
Harley Feldberg					
Severance				2,741,187	
Settlement of stock options	771,001	771,001	771,001	1,069,898	1,069,898
Settlement of incentive stock	559,319	559,319		559,319	559,319
Settlement of performance shares	826,527	826,527		1,103,681	1,103,681
Accrued vacation pay out	54,811	54,811	54,811	54,811	54,811
Welfare benefits				58,732	
Life insurance benefit	2,194,430				
Avnet Pension	100,494	200,988	200,988	200,988	200,988
SERP		1,168,326	1,168,326	1,168,326	1,168,326
Excise Taxes and Gross Up				1,122,939	
David Birk					
Severance				2,042,387	
Settlement of stock options	249,042	249,042	470,158	470,158	470,158
Settlement of incentive stock	393,744	393,744	393,744	393,744	393,744
Settlement of performance shares	605,723	605,723	784,982	784,982	784,982
Accrued vacation pay out	52,500	52,500	52,500	52,500	52,500
Welfare benefits				55,213	
Life insurance benefit	1,758,732				
Avnet Pension	164,436	328,871	328,871	328,871	328,871
SERP		1,341,008	1,341,008	1,341,008	1,341,008
Excise Taxes and Gross Up					

As has been disclosed in the Employment Agreement section of this Proxy Statement, the employment agreements with the Company's executive officers, including the NEOs, do not provide for a severance payment in the event of a termination by the Company without cause. Instead, each of the NEOs other than Mr. Vallee is entitled to receive a one-year advance notice (the Notice Period) from the Company. During the Notice Period, the executive shall continue to receive compensation and other benefits in accordance with his agreed-upon pay plan. Should the Company or the executive give the notice at the beginning of a fiscal year before a pay plan for the new fiscal year has been agreed upon the executive's compensation during the Notice Period shall be equal to the sum of the most recently agreed-upon base pay plus the actual cash incentive the executive received for the immediately preceding

fiscal year. For the NEOs other than Mr. Vallee, it is assumed that such Notice Period ended on June 28, 2008, which is the last business day of the Company's fiscal year 2008. In the case of Mr. Vallee, the Company shall engage Mr. Vallee as a consultant for a period of 24 months following the termination date and shall compensate Mr. Vallee at an annual rate (to be paid monthly in arrears) equal to the highest aggregate base salary and incentive compensation paid to him in any one fiscal year during the three most recently completed fiscal years. The amount to be paid to Mr. Vallee during his two-year consultancy

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period had he been terminated without cause at the end of fiscal year 2008 is shown as severance in the above table.

Because Messrs. Vallee and Birk are Retirement eligible, the amount of potential payouts to each of them in the event of a termination by the Company without is the same as that under Retirement, except for the consulting payment (shown as severance above) and the value of welfare benefits due to Mr. Vallee during his two-year consultancy if he were terminated without cause.

As has been disclosed in the Performance Share Program section of the Compensation Discussion & Analysis in this Proxy Statement, executives participating in the performance share program, including each of the NEOs, would be entitled to receive a pro rata number of performance shares in the case of death or disability and all of the performance shares in the case of retirement or a change of control earned for a 3-year performance cycle. The value shown for the settlement of performance shares in the table above is calculated accordingly, with the assumption that the triggering event has occurred on June 28, 2008, which is the last business day of the Company's fiscal year 2008. Furthermore, the value of the PSP awards for the 2006-2008 performance cycle is included in the table above because the actual PSP payouts were not made until August 2008 upon the filing of the 10-K, even though the PSP awards were fully vested on June 28, 2008. The value shown for the settlement of options in the table above in the case of death, disability and termination without cause assumes that all options exercisable at June 28, 2008 are exercised on that date except in the case of termination without cause for Mr. Vallee wherein the value shown reflects the aggregate value of options exercisable at the end of the two year consulting period for Mr. Vallee and at the end of the assumed Notice Period of June 28, 2008 for all of the other NEOs. In the case of change in control and retirement, all options outstanding at June 28, 2008 are assumed to be exercised on that date. The value of incentive stock reflected in the table above in all cases other than termination without cause equals the value of all incentive stock allocated to the NEOs but not yet delivered at June 28, 2008. In the case of termination without cause, the value of incentive stock is only applicable for those who are Retirement eligible at June 28, 2008 Mr. Vallee and Mr. Birk.

**Director Compensation**

Directors of Avnet who are also officers or employees of Avnet (currently only Mr. Vallee) do not receive any special or additional remuneration for service on the Board of Directors or any of its committees. Upon recommendation of the Corporate Governance Committee and approval of the Board of Directors, effective January 1, 2008, non-employee Directors receive compensation for their services on the Board as set out below.

**Compensation Components (annual)**

% Cash to Equity	45/55		
Cash Retainer		\$	100,000 <sup>(1)</sup>
			120,000
Equity		\$	in shares <sup>(2)</sup>
<b>Total:</b>		<b>\$</b>	<b>220,000</b>
Lead Director	add:	\$	10,000
Audit Committee Retainer	add:	\$	7,500
Committee Chair Retainers	add:	\$	10,000

(1) Paid quarterly unless election is made to defer under the Avnet Deferred Compensation Plan for Outside Directors, which is described in more detail under the caption Deferred Compensation Plan below.

(2)

Prorated upon first election; delivered each January following re-election. Messrs. Clarkson, Noonan and Tooker have elected to defer their January 2008 stock awards in the form of Phantom Stock Units in their Deferred Compensation Accounts under the Avnet Deferred Compensation Plan for Outside Directors, which is described in more detail under the caption "Deferred Compensation Plan" below.

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The following table shows the total dollar value of all fees earned by and paid in cash to all non-employee directors (other than Mr. Sullivan) in fiscal 2008 and the expense recorded by Avnet for financial statement reporting purposes with respect to stock awards to non-employee directors (other than Mr. Sullivan) in connection with in fiscal 2008. Mr. Sullivan was first elected to the Board in July 2008 to fill the vacancy resulted from Mr. James Lawrence's resignation.

Name (a)	Fees Earned or Paid in Cash <sup>(1)</sup>		Change in Pension Value and Nonqualified Deferred Compensation Earnings	Total (\$) (h)
	(\$) (b)	(\$) (c)	(f)	
Eleanor Baum	88,750	97,500	135,283	321,533
J. Veronica Biggins	82,500	97,500		180,000
Lawrence W. Clarkson	92,500	97,500		190,000
Ehud Houminer	93,750	97,500	135,283	326,533
James A. Lawrence <sup>(2)</sup>	91,250	97,500		188,750
Frank R. Noonan	91,250	97,500		188,750
Ray M. Robinson	86,250	97,500		183,750
Gary L. Tooker	88,750	97,500		186,250

(1) Prior to January 2008, each non-employee Director who was elected for the first time before May 1996 (and who is therefore eligible to participate in the retirement plan discussed below) received an annual retainer fee of \$60,000 (currently Dr. Baum and Mr. Houminer) and each non-employee Director elected for the first time in or after May 1996 (Ms. Biggins and Messrs. Clarkson, Noonan, Robinson, and Tooker) received an annual retainer fee of \$65,000. The chairs of the various committees of the Board of Directors received the following additional compensation: chair of the Audit Committee received an annual \$10,000 cash retainer; chair of the Compensation Committee received an annual \$7,500 cash retainer; and the chairs of the Corporate Governance Committee and the Finance Committee each received annual \$5,000 cash retainers. Because the director compensation program was changed on January 1, 2008, the date in the table reflects prorated payments under two programs in effect during fiscal year 2008.

(2) Mr. Lawrence resigned from the Board effective as of July 15, 2008 due to his change in employment and relocation to London.

**Deferred Compensation Plan**

Under the Avnet Deferred Compensation Plan for Outside Directors (the "Plan"), a non-employee Director may elect to receive Phantom Stock Units (the "PSUs") in lieu of some or all of the shares of Common Stock that would otherwise be awarded as the Director's annual equity compensation. The number of shares or PSUs to be credited to the PSU portion of the Director's account (assuming the election is made to defer the entire amount) is determined by dividing \$120,000 by the average of the high and low price of the Common Stock on the New York Stock Exchange on the



first business day in January of each year. In addition, a non-employee Director may elect to defer all or a portion of his or her annual cash compensation in either a cash or PSU account under the Plan. Compensation deferred as cash is credited at the beginning of each quarter with interest at a rate corresponding to the rate of interest on U.S. Treasury 10-year notes on the first day of that quarter. Compensation deferred under the Plan, or interest credited thereon, will be payable to a Director (i) upon cessation of membership on Avnet's Board of Directors in ten annual installments or, at the Director's election (which must be made not less than 24 months prior to the date on which the Director ceases to be a member of the Board), in annual installments not exceeding ten or in a single lump sum or (ii) upon a change in control of Avnet (as defined in the Plan), in a single lump sum. PSUs are payable in Common Stock with cash payment made for fractional shares. In the event of the

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death of a Director before receipt of all payments, all remaining payments shall be made to the Director's designated beneficiary.

**Retirement Plan Benefits and Phase-Out**

In May 1996, the Board of Directors terminated the Retirement Plan for Outside Directors of Avnet, Inc. (the Retirement Plan) with respect to non-employee Directors elected for the first time after May 21, 1996. Therefore, while members of the Board of Directors who served on May 21, 1996 still accrue benefits under the Retirement Plan (Dr. Baum and Mr. Houminer), Board members elected for the first time thereafter are not eligible to participate in the Retirement Plan. The Retirement Plan provides retirement income for eligible Directors who are not officers, employees or affiliates (except by reason of being a Director) of Avnet (the Outside Directors). The Retirement Plan entitles any eligible Outside Director who has completed six years or more of active service to an annual cash retirement benefit equal to the annual retainer fee (including committee fees) during the Outside Director's last year of active service, payable in equal monthly installments for a period of from two to ten years depending on length of service, with payments beginning on the date which is the later of such Outside Director's 65th birthday or his or her retirement date. The surviving spouse of any deceased Outside Director is entitled to 50% of any remaining unpaid retirement benefit. At its regularly scheduled meeting on November 8, 2007, the Board of Directors, acting upon the recommendation of the Governance Committee, unanimously agreed to freeze the benefits under the Retirement Plan at \$80,000 per annum for current participants in the Retirement Plan.

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**PROPOSAL 2**

**RATIFICATION OF APPOINTMENT OF KPMG AS  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

One of the purposes of the Annual Meeting is to consider and take action with respect to ratification of the appointment by the Audit Committee of KPMG LLP as the independent registered public accounting firm to audit the consolidated financial statements of Avnet for the fiscal year ending June 27, 2009. Avnet first retained KPMG LLP in April 2002 and the firm has audited the Company's consolidated financial statements for the last six fiscal years.

The affirmative vote of the majority of the votes cast at the Annual Meeting by the holders of shares of Common Stock is required to ratify the appointment of KPMG LLP as Avnet's independent registered public accounting firm. 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 proposal by reducing the total number of shares from which the majority is calculated. Brokers who hold shares of Common Stock as nominees will have discretionary authority to vote such shares if they have not received voting instructions from the beneficial owners by the tenth day before the Annual Meeting, provided that this Proxy Statement has been transmitted to the beneficial owners at least fifteen days before the Annual Meeting.

Representatives of KPMG LLP are expected to be present at the Annual Meeting and will have an opportunity to make such statements as they may desire. Such representatives are expected to be available to respond to appropriate questions from shareholders.

For a summary of the fees that were paid to KPMG LLP in fiscal years 2007 and 2008, please refer to the section of this Proxy Statement entitled "Principal Accounting Firm Fees."

***The Board of Directors recommends a vote FOR ratification of KPMG LLP  
as the Company's Independent Registered Public Accounting Firm for Fiscal 2008.***

**GENERAL**

Avnet's Annual Report to Shareholders for the fiscal year ended June 28, 2008, including the Company's audited financial statements, is being delivered with this Proxy Statement. Avnet will provide a copy of its Annual Report on Form 10-K for the fiscal year ended June 28, 2008 to each shareholder without charge (other than a reasonable charge for any exhibit requested) upon written request to Secretary, Avnet, Inc., 2211 South 47th Street, Phoenix, Arizona 85034.

The cost of soliciting proxies relating to the Annual Meeting will be borne by Avnet. Directors, officers and employees of Avnet may solicit proxies by telephone or personal interview without being specially compensated. Avnet will, upon request, reimburse brokers, dealers, banks and other nominee shareholders for their reasonable expenses for mailing copies of this Proxy Statement, the form of proxy and the Notice of the Annual Meeting, to the beneficial owners of such shares.

**2009 ANNUAL MEETING**

Under rules of the Securities and Exchange Commission, and pursuant to the Company's By-laws, shareholders may submit proposals that they believe should be voted on at the annual meeting or may recommend persons for

nomination to the Board of Directors. There are several alternatives a shareholder may use and a summary of those alternatives follows.

Under Rule 14a-8 of the Securities Exchange Act of 1934, some shareholder proposals may be eligible to be included in Avnet's 2009 proxy statement. Shareholder proposals must be submitted, along with proof of ownership of Avnet stock in accordance with Rule 14a-8(b)(2), to the Company's principal executive office at: Secretary, Avnet, Inc., 2211 South 47th Street, Phoenix, Arizona 85034. All shareholder proposals submitted pursuant to Rule 14a-8 must be received by May 28, 2009.

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For information regarding how to nominate a director for consideration by the Corporate Governance Committee for the Avnet Board of Directors, please see [Corporate Governance](#) [Director Nominations](#) above in this Proxy Statement.

Alternatively, under the Company's By-laws, any shareholder wishing to appear at the 2009 Annual Shareholders Meeting and submit a proposal or nominate a person as a director candidate must submit the proposal or nomination to the Company's Secretary not earlier than April 28, 2009 and not later than May 28, 2009. Any such shareholder proposal or director nomination will not appear in the Company's proxy statement. For both shareholder proposals and director nominations, the proposing shareholder must deliver to the Secretary of the Company at its principal executive office a notice that includes the shareholder's name, address, and the number of shares of Avnet Common Stock the shareholder owns of record and beneficially. If the shareholder holds shares through a nominee or street name holder of record, the shareholder must deliver evidence establishing the shareholder's indirect ownership of and entitlement to vote the shares. If a shareholder proposes to nominate any person for election as director, the shareholder must also deliver to Avnet a statement in writing setting forth the name of the nominated person, the number of shares of Avnet Common Stock owned of record and beneficially by the nominated person, the information regarding the nominated person as required by paragraphs (a), (d), (e) and (f) of Item 401 of Regulation S-K adopted by the Securities and Exchange Commission, and the nominated person's signed consent to serve as director of the Company if elected. If the shareholder proposes another matter to be brought before the annual meeting (other than the nomination of a director), the shareholder must also deliver to Avnet the text of the proposal, a brief written statement as to the reasons why the shareholder favors the proposal, and a statement identifying any material interest the shareholder has in the matter proposed (other than as a shareholder). The Company will not entertain any proposals or nominations at the annual meeting that do not meet these requirements. If the Company does not receive notice by May 28, 2009, or if it meets other requirements of the SEC rules, the persons named as proxies in the proxy materials relating to the 2009 Annual Meeting will use their discretion in voting the proxies when these matters are raised at the meeting.

**DELIVERY OF DOCUMENTS TO SECURITY HOLDERS**

Pursuant to the rules of the SEC, Avnet and services that Avnet employs to deliver communications to the shareholders are permitted to deliver to two or more shareholders sharing the same address a single copy of each of our Annual Report to shareholders and our proxy statement. Upon written or oral request, Avnet will deliver a separate copy of the Annual Report to shareholders and/or proxy statement to any shareholder at a shared address to which a single copy of each document was delivered and who wishes to receive separate copies of such documents in the future. Shareholders receiving multiple copies of such documents may likewise request that Avnet deliver single copies of such documents in the future. Shareholders may notify Avnet of their requests by calling or writing, Avnet, Inc., Attn: Investor Relations, 2211 South 47th Street, Phoenix, Arizona 85034 or 1-888-822-8638 and ask for Investor Relations.

AVNET, INC.

Jun Li  
*Secretary*

September 25, 2008

**PLEASE SIGN, DATE AND MAIL YOUR PROXY NOW  
OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET.**

***AVNET APPRECIATES YOUR PROMPT RESPONSE!***



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AVNET, INC. 2211 SOUTH 47TH STREET PHOENIX, AZ 85034 THERE ARE THREE WAYS TO VOTE YOUR PROXY VOTE BY INTERNET [www.proxyvote.com](http://www.proxyvote.com) Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date scheduled for November 6, 2008. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. VOTE BY PHONE 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date scheduled for November 6, 2008. Have your proxy card in hand when you call and then follow the instructions. VOTE BY MAIL Mark, sign and date your proxy card and return it in the postage- paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS If you would like to help protect the environment and reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years. TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: AVNET1 KEEP THIS PORTION FOR YOUR RECORDS DETACH AND RETURN THIS PORTION ONLY THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. AVNET, INC. For Withhold For All All All Except The Board of Directors Recommends a Vote FOR the 9 directors listed and Proposal 2. Vote On Directors 0 0 0 To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below. 1. Election of 9 directors to serve for the ensuing year. (1) Eleanor Baum (2) J. Veronica Biggins (3) Lawrence W. Clarkson (4) Ehud Houminer (5) Frank R. Noonan (6) Ray M. Robinson (7) William P. Sullivan (8) Gary L. Tooker (9) Roy Vallee Vote On Proposal For Against Abstain 2. Ratification of appointment of KPMG LLP as the independent registered public accounting firm for the fiscal year 0 0 0 ending June 27, 2009. NOTE: Signature(s) should agree with name(s) on proxy form. Executors, administrators, trustees and other fiduciaries, and persons signing on behalf of corporations, or partnerships, should so indicate when signing. Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date

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ANNUAL MEETING OF SHAREHOLDERS Thursday, November 6, 2008 11:00 A.M. (MST) Avnet Global Solutions Center 6700 W. Morelos Place Chandler, AZ 85226 You may vote through the Internet, by telephone or by mail. Please read the card carefully for instructions. However you decide to vote, your presence, in person or by proxy, at the Annual Meeting of Shareholders is important. Important Notice Regarding Internet Availability of Proxy Materials for the Annual Meeting: The Notice and Proxy Statement and Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com). AVNET, INC This Proxy is Solicited on Behalf of the Board of Directors for the Annual Meeting of Shareholders on November 6, 2008 The undersigned shareholder of AVNET, INC. (the Company ) hereby constitutes and appoints Roy Vallee and Raymond Sadowski, or either of them, as proxy of the undersigned, with full power of substitution and revocation, to vote all shares of Common Stock of the Company standing in his or her name on the books of the Company at the Annual Meeting of Shareholders to be held at 11:00 A.M., Mountain Standard Time, at the Avnet Global Solutions Center, 6700 W. Morelos Place, Chandler, AZ 85226, on November 6, 2008, or at any adjournment thereof, with all the powers which the undersigned would possess if personally present, as designated on the reverse side. The undersigned hereby instructs the said proxies (i) to vote in accordance with the instructions indicated on the reverse side for each proposal, but, if no instruction is given on the reverse side, to vote FOR the election of directors of the nine persons named on the reverse side and FOR the ratification of the appointment of KPMG LLP as the independent registered public accounting firm for the fiscal year ending June 27, 2009 and (ii) to vote, in their discretion, with respect to other such matters (including matters incidental to the conduct of the meeting) as may properly come before the meeting or any postponement or adjournment thereof.