REFINITIV

DELTA REPORT

10-K

ARW - ARROW ELECTRONICS, INC.

10-K - DECEMBER 31, 2024 COMPARED TO 10-K - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	7231
CHANGES	446
DELETIONS	1540
ADDITIONS	5245

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023 December 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____

Commission file number 1-4482

ARROW ELECTRONICS, INC.

(Exact name of registrant as specified in its charter)

New York	**11-1806155**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
9201 9151 East Dry Creek Road Panorama Circle	**80112**
Centennial CO	(Zip Code)
(Address of principal executive offices)	

(303) 824-4000

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1 par value	ARW	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262 (b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter was $7,954,359,469. $6,372,985,825.

There were 53,813,931 52,172,303 shares of Common Stock outstanding as of February 6, 2024 February 4, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

The definitive proxy statement related to the registrant's 2024 2025 Annual Meeting of Shareholders, is incorporated by reference in Part III to the extent described therein. The definitive proxy statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of December 31, 2023 December 31, 2024.

Table of Contents

TABLE OF CONTENTS

Table of Contents

ARROW ELECTRONICS, INC.

Glossary of Selected Abbreviated Terms*

Abbreviated Term	Defined Term
AFC	Arrow Electronics Funding Corporation
ASU	Accounting Standard Update
CIO	Chief Information Officer
CODM	Chief Operating Decision Maker
Compensation Committee	Compensation Committee of the company's Board of Directors
CSO	Chief Security Officer
CTA	Foreign Currency Translation Adjustment
EAR	U.S. Export Administration Regulations
ECS	Enterprise Computing Solutions
EMEA	Europe, the Middle East, and Africa
EMS	Electronics Manufacturing Services
FASB	Financial Accounting Standards Board
FDII	Foreign-Derived Intangible Income
GAAP	Generally Accepted Accounting Principles
GILTI	Global Intangible Low-Taxed Income
IP&E	Interconnect, Passive and Electromechanical
IRS	Internal Revenue Service
ISOs	Incentive Stock Options
IT	Information Technology
MSPs	Managed Service Providers
NYSE	New York Stock Exchange
OECD	Organization for Economic Co-operation and Development
OEMs	Original Equipment Manufacturers
OFAC	Office of Foreign Assets Controls
Omnibus Plan	Arrow Electronics, Inc. 2004 Omnibus Incentive Plan
S&P 400 MidCap Stock Index	Standard & Poor’s MidCap 400 Index
SEC	Securities and Exchange Commission
SERP	Supplemental Executive Retirement Plan
SOFR	Secured Overnight Financing Rate
U.S. or United States	United States of America
VARs	Value-Added Resellers

* Terms used, but not defined, within the body of the Form 10-K are defined in this Glossary.

Table of Contents

PART I

Item 1. Business.

Arrow Electronics, Inc. (the “company” or “Arrow”) is a global provider sources and engineers technology for thousands of products, services, leading manufacturers, service providers, and solutions to industrial and commercial users of electronic components and enterprise computing solutions. The company has one of the world’s broadest portfolios of product offerings available from leading electronic components and enterprise computing solutions suppliers. Coupled with a range of services, solutions, and software, the company helps industrial and commercial customers introduce innovative products, reduce their time to market, and enhance their overall competitiveness. Arrow was incorporated in New York in 1946.

Arrow’s diverse worldwide customer base consists of original equipment manufacturers (“OEMs”), value-added resellers (“VARs”), managed service OEMs, VARs, MSPs, EMS providers, (“MSPs”), contract manufacturers (“CMs”), and other commercial customers. These customers include manufacturers of industrial equipment (such as machine tools, factory automation, and robotic equipment) and products serving industries ranging from including industrial, automotive and transportation, telecommunications, and consumer electronics, among others.

The company has two reportable segments, the global components business and the global enterprise computing solutions (“ECS”) business. ECS. The company distributes electronic components to OEMs and CMs EMS providers through its global components reportable segment and provides enterprise computing solutions to VARs and MSPs through its global ECS reportable segment. The company maintains over 140 sales facilities and 36 distribution and value-added centers, serving over 85 countries. For 2023, 2024, approximately 77% 72% of the company’s sales were from the global components reportable segment, and approximately 23% 28% of the company’s sales were from the global ECS reportable segment. The financial information about the company’s reportable segments and geographic operations is found in Note 16 to the consolidated financial statements.

The company maintains over 180 sales facilities and 39 distribution and value-added centers, serving over 85 countries. The company has operations in each of the three largest electronics markets; the Americas; the Europe, Middle East, and Africa (“EMEA”); EMEA; and the Asia/Pacific regions. Arrow’s business strategy is to be the premier, technology-centric, go-to-market and supply chain services company on the planet. company. The company guides innovation forward by helping its customers in the areas of company’s portfolio is designed to enable technology across major industries and markets including industrial automation, edge computing, and cloud computing, and smart and connected devices, homes, cities, and transportation to deliver new technologies that help to improve businesses’ performance and consumers’ lives. technologies. Arrow aggregates disparate sources of electronics components, infrastructure software, and IT hardware to increasingly provide engineer complete solutions for customers on behalf of its suppliers. The company aims to accelerate its customers’ time to market, help enable secure and consistent supply chains, and drive growth on behalf of its suppliers.

The company’s long term financial objectives are to grow sales faster than the market, increase the markets served, grow profits faster than sales, generate earnings per share growth in excess of competitors’ earnings per share growth and market expectations, grow earnings at a rate that provides the capital necessary to support the company’s business strategy, allocate and deploy capital effectively so that return on invested capital exceeds the company’s cost of capital, and increase return on invested capital. To achieve its objectives, the company seeks to capture significant opportunities to grow across products, markets, and geographies. To supplement its organic growth strategy, the company continually evaluates strategic acquisitions to broaden its product and value-added service offerings, increase its market penetration, and expand its geographic reach. The company is also committed to improving operational efficiency.

Global Components

The company’s global components business reportable segment markets and distributes electronic components enabled by a comprehensive range of value-added capabilities and services. The company utilizes its vast marketing, integration and global logistics footprint to provide customers with the ability to deliver the latest semiconductor and interconnect, passive and electromechanical (“IP&E”) &E technologies to the market along market. Along with the help of value-added services and capabilities, such as new product component integration, also known as, demand creation, design engineering services, and supply chain management. The management, the company offers the convenience of accessing, from a single source, multiple technologies and products from its suppliers with rapid or scheduled deliveries. Most of the company’s customers require delivery of their orders on schedules or volumes that are generally not available directly from manufacturers.

Table of Contents

The company's demand Demand creation efforts are intended to promote the future sale of suppliers' products through registered engineered designs and schematics showing the use of suppliers' components in the company's customers' future products. Providing these services, primarily through the efforts of field application engineers, ("FAEs") generally leads to longer and more profitable relationships that benefit the company as well as the company's suppliers and customers. In addition to demand creation,

Table of Contents

the company utilizes its sizable engineering resources to engage with customers in a variety of design engineering services, including software development, product design and integrated circuit design.

Arrow's integration Integration services are designed to provide a full suite of product lifecycle solutions for our customers. Services include design engineering from prototyping to volume production readiness, worldwide logistics and fulfillment capabilities, and scalable manufacturing and customer support.

Beyond integration and engineering services, and the traditional source of sales and profits tied to the buying and selling of electronic components, the global components business has been expanding its supply Supply chain service offerings including include procurement, logistics, warehousing, financial management, and insights from data analytics. Through these services, the most complex electronics supply chains in the world are targeted. Arrow provides logistics support and process and systems expertise to improve customer's supply chain execution, visibility, resilience, and optimization. The company's supply chain services are intended to serve our customer's customers' direct supply chain and provide fee-based revenue opportunities. opportunities, targeting the most complex electronics supply chains in the world.

Within the global components business reportable segment for 2023, net 2024, sales of approximately 79% 76% consist of semiconductor products and related services; approximately 14% 16% consist of IP&E products, such as capacitors, resistors, potentiometers, power supplies, relays, switches, and connectors; approximately 5% consist of computing and memory; and approximately 2% 3% consist of other products and services.

Global ECS

The company's global ECS business reportable segment is a leading value-added provider of comprehensive computing solutions and services. The Global global ECS portfolio includes datacenter, cloud, security, and analytics solutions. Global ECS brings broad market access, extensive supplier relationships, scale, and resources to help its VARs and MSPs meet the needs of their end-customers. Global ECS works with VARs and MSPs to tailor complex IT solutions for their end-users. Arrow's customers have access to various services including engineering and integration support, warehousing and logistics, marketing resources, and authorized hardware and software training. Global ECS suppliers benefit from demand creation, speed to market, and efficient supply chain management.

Global ECS further supports customers by enabling their software and cloud solutions businesses through ArrowSphere, a software and cloud marketplace and management platform. ArrowSphere helps can help VARs and MSPs to manage, differentiate, and scale their as-a-service businesses. It simplifies can simplify the operational complexity of delivering hybrid multi-cloud solutions while providing the business intelligence that IT solution providers need to drive growth. By making software and cloud-based solutions available through ArrowSphere, suppliers can benefit from greater subscription adoption, consumption, and utilization.

Within the global ECS business reportable segment for 2023, net 2024, sales of approximately 28% 26% consist of storage, 20% consist of security, 17% software applications, 18% consist of software applications, 14% security, 16% consist of compute, 6% consist of data intelligence, 7% 6% consist of networking, and 8% consist of other products and services.

Customers and Suppliers

The company and its affiliates serve thousands of industrial and commercial customers. Industrial customers range from major OEMs and CMs EMS providers to small engineering and manufacturing firms, while commercial customers primarily include VARs, MSPs, and OEMs. No single customer accounted for more than 2% of the company's 2023 2024 consolidated sales. The company's sales teams focus on an extensive portfolio of products and services to support customers' material management and production needs, including connecting customers to the company's FAEs field application engineers that provide technical support and serve as a gateway to the company's supplier partners. The company's sales representatives provide end-to-end product offerings and solutions with an emphasis on helping customers introduce innovative products, reduce their time to market, and enhance their overall competitiveness. Substantially all of the company's sales are made on an order-by-

4

Table of Contents

order order-by-order basis, rather than through long-term sales contracts. As such, the nature of the company's business does not provide visibility of material forward-looking information from its customers and suppliers beyond a few months.

One No single supplier accounted for approximately 10% more than 8% of the company's consolidated sales in 2023. 2024. The company believes that many of the products it sells are available from other sources at competitive prices. However, certain parts of the

5

Table of Contents

company's business, such as the company's global ECS business, reportable segment, rely on a limited number of suppliers with the strategy of providing focused support, extensive product knowledge, and customized service to suppliers, MSPs, and VARs. Most of the company's purchases from suppliers are pursuant to distributor agreements, which are typically non-exclusive and cancellable by either party at any time or on short notice.

Distribution Agreements

Certain agreements with suppliers protect the company against the potential write-down of inventories due to technological change or suppliers' price reductions. These contractual provisions typically provide certain protections to the company for product obsolescence and price erosion in the form of return privileges, scrap allowances, and price protection. Under the terms of the related distributor agreements and assuming the company complies with certain conditions, such suppliers are required to credit the company for reductions in suppliers' list prices. As of December 31, 2023 December 31, 2024, this type of arrangement covered approximately 55% 56% of the company's consolidated inventories. In addition, under the terms of many such agreements, the company has the right to return to the supplier, for credit, a defined portion of those inventory items purchased within a designated period of time.

A supplier electing to terminate a distribution agreement may be required to purchase from the company the total amount of its products carried in inventory. As of December 31, 2023 December 31, 2024, this type of repurchase arrangement covered approximately 60% of the company's consolidated inventories.

While these inventory practices do not wholly protect the company from inventory losses, the company believes that they currently provide substantial protection from such losses.

Competition

The company operates in a highly competitive environment, both in the United States and internationally. The company competes with other large multinational and national electronic components and enterprise computing solutions distributors, as well as numerous other smaller, specialized competitors who generally focus on narrower markets, products, or particular sectors. The company also competes for customers with its suppliers. The size of the company's competitors vary across vertical markets, as do the resources the company has allocated to the sectors in which it does business. Therefore, some of the company's competitors may have a more extensive customer and/or supplier base than the company in one or more of its market sectors. There is significant competition within each market sector and geography served that creates pricing pressure and the need to continually improve services. Other competitive factors include rapid technological changes, product availability, credit availability, speed of delivery, ability to tailor solutions to customer needs, quality and depth of product lines and training, as well as service and support provided by the distributor to the customer.

The company also faces competition from companies entering or expanding into the logistics and product fulfillment, electronic catalog distribution, and e-commerce supply chain services markets. As the company seeks to expand its business into new areas in order to stay competitive in the market, the company may encounter increased competition from its current and/or new competitors. The company believes that it is well equipped to compete effectively with its competitors in all of these areas due to its comprehensive product and service offerings, highly-skilled work force, and global distribution network.

Government Regulation

The company is subject to, and endeavors to comply with, various government regulations in the United States and various foreign jurisdictions in which it operates. These regulations cover several diverse areas including trade compliance, antitrust, anti-bribery, anti-corruption, money laundering, securities, environmental, labor and employment, and data and privacy protection. Regulatory or

Table of Contents

government authorities where the company operates may have enforcement powers that can subject the company to legal penalties or other measures and can impose changes or conditions in the way it conducts business. For example, local authorities may disagree with how the company classifies its products for trade and taxation purposes, and the company may be required to change its classifications, which could increase the company's operating costs or subject it to increased taxes or fines and penalties. Increased government scrutiny of the company's actions or

Table of Contents

enforcement could materially and adversely affect its business or damage its reputation. In addition, the company may conduct, or it may be required to conduct, internal investigations or face audits or investigations by one or more domestic or foreign government governments or regulatory agencies, which could be costly and time-consuming, and could damage the company's reputation or could divert management and key personnel from the company's business operations.

A liability for Additional information relating to environmental remediation liabilities is set forth under the heading "Environmental Matters" in Note 15, "Contingencies" in the Notes to Consolidated Financial Statements in Part II, Item 8 of this 10-K and other environmental costs is accrued when the company considers it probable that a liability has been incurred and the amount of loss can be reasonably estimated. Environmental costs and accruals are presently not material to the company's operations, cash flows or financial position. Although there is no assurance that existing or future environmental laws applicable to the company's operations or products will not have a material adverse effect on its operations, cash flows or financial condition, the company does not currently anticipate material capital expenditures for environmental control facilities. incorporated herein by reference.

See Risk Factors For further discussion of the matters discussed above related to government regulations and environmental liabilities refer to "Risk Factors" in Part I, Item 1A.

Human Capital

Arrow's business strategy is to be the premier, technology-centric, go-to-market and supply chain services company on the planet. company. The company's talent strategy powers that business strategy through its people. The company's talent ecosystem spans 53 52 countries, with the strategic vision of excelling in the business to drive more scale, extending the company's value, and winning in the market with the diversity strength of its people and the strength of its culture.

The company believes its deep capabilities and broad services are made possible by a broad group of professionals who understand its customers' problems from numerous perspectives and curate forward-looking, comprehensive solutions. The company believes its employees' diverse varied backgrounds, talents, experiences, and perspectives frame how its global network of engineers, suppliers, and manufacturers work together, and enhance value for customers.

The company's business results depend in part on its ability to successfully manage human capital resources, including attracting, identifying, and retaining key talent. Factors that may affect the company's ability to attract and retain qualified employees include employee morale, its reputation, competition from other employers, and availability of qualified individuals.

The company and its affiliates employed approximately 22,100 21,520 employees worldwide as of December 31, 2023 December 31, 2024. The following table shows the company's approximate headcount by region:

	Americas	EMEA	Asia/Pacific	Americas	EMEA	Asia/Pacific
Headcount	6,500	7,600	8,000	5,850	7,850	7,820

Gender Talent Acquisition, Development, and Racial/Ethnic Diversity Retention

The company has long-standing goals for fostering diversity within belonging across the organization and strives to provide all employees with equal opportunities at all levels of the organization. Efforts towards fostering a diverse robust talent pipeline and supporting a diverse employee population career opportunities are reflected in the company's talent strategy through (a) internal talent development programs and retention initiatives that advance career opportunity for all employees, (b) hiring from a wide range of sources in support of a talent pool with a diverse broad set of experiences and skills, and (c) training programs designed to emphasize and expand diversity and inclusion priorities principles that align to the company's business strategy.

Beginning in 2022, the annual incentive compensation plans for the company's executives have included goals linked to the company's diversity priorities.

Table of Contents

Below are statistics related to gender and racial/ethnic diversity by employee population:

	Gender Diversity (Global) (% female)			Underrepresented Race/Ethnicity (United States) (% underrepresented race/ethnicity)		
	2023	2022	Change	2023	2022	Change
Executives (a)	33.3 %	27.3 %	6.0 %	25.0 %	27.3 %	(2.3) %
Vice Presidents (a)	22.8 %	22.4 %	0.4 %	14.5 %	12.3 %	2.2 %
Directors	30.9 %	29.9 %	1.0 %	17.1 %	17.9 %	(0.8) %
Managers	30.4 %	30.4 %	— %	31.4 %	30.0 %	1.4 %
Supervisors	47.6 %	50.3 %	(2.7) %	37.2 %	40.2 %	(3.0) %
Total Leadership	**33.3 %**	**34.1 %**	**(0.8) %**	**26.5 %**	**26.5 %**	**— %**
Individual Contributors	43.3 %	43.7 %	(0.4) %	39.4 %	39.2 %	0.2 %

Total Employee Population	**41.7 %**	**42.0 %**	**(0.3) %**	**37.1 %**	**36.9 %**	**0.2 %**

(a) Executives includes executive officers of the company, and non-executive officers who are members of the executive committee.

Talent Acquisition, Development, and Retention

The company believes in work that elevates career opportunity opportunities for employees and views its employees as career investors. Employees bring their unique talents, experiences, and perspectives to the organization through their daily work. The company is committed to helping employees receive a return on their investment, in the form of compounding knowledge, skills, abilities, and earnings opportunity as their careers grow within the company. Through early career talent programs focused on recent college graduates, Arrow grows employee capability from the ground up. The company supports employees development for the global workforce through targeted curricula and tools focused on building skills and capabilities at each career stage. Arrow also offers a suite of enterprise leadership training and development programs. These programs create value by growing employee capability, which in turn facilitates business growth while also providing and career growth opportunities for employees. opportunities. For example, over 70% of open manager-level and above positions were filled internally during 2023 2024 and 2022. 2023.

Attracting and retaining early career talent enables Arrow to grow employee capability from the ground up. Through the company's university intern and graduate programs, apprenticeship programs, and management trainee programs, Arrow builds a diverse talent pipeline. 7

Table of Contents

The company believes in rewards that improve performance outcomes for all and endorses a pay-for-performance philosophy via performance differentiation and rewarding employees through compensation and benefits. The company believes its compensation and benefits programs are aligned with the local external market to attract, grow, and retain talent. The company's commitment to rewarding employees fairly based on professional performance, skills, experience, contribution/performance, internal equity, external market data, and the external market pay relative to other similarly situated employees enables us to maximize employees' return on their career investment. The company reviews its compensation and benefits programs and practices regularly to ensure they remain competitive fair and equitable. competitive.

Expanded Human Capital Disclosure

Additional human capital information is included in the company's Environmental, Social, reporting on its corporate stewardship and Governance Report ("ESG Report"), impact, which is available on the Arrow.com website. Information contained in the company's ESG Report corporate stewardship and impact report, and website, is not deemed part of, or incorporated by reference into, this Annual Report on Form 10-K. 10-K.

Available Information

The company files its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements, and other documents with the U.S. Securities and Exchange Commission ("SEC") SEC under the Securities Exchange Act of 1934 (as amended, the "Exchange Act"). The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The company's SEC filings are available to the public on the SEC's website at www.sec.gov.

A copy of any of the company's filings with the SEC, or any of the agreements or other documents that constitute exhibits to those filings, can be obtained by request directed to the company at the following address and telephone number:

Table of Contents

Arrow Electronics, Inc.
9201 9151 East Dry Creek Road Panorama Circle
Centennial, Colorado 80112
(303) 824-4000
Attention: Corporate Secretary

The company also makes these filings, and amendments to these filings, available, free of charge, through its Investor Relations website (investor.arrow.com/investors) as soon as reasonably practicable after the company files such materials with the SEC. The company also uses its website as a tool to disclose important information about the company and comply with our disclosure obligations under Regulation Fair Disclosure. The company does not intend this internet address to be an active link or to otherwise incorporate the contents of the website into this Annual Report on Form 10-K.

Information about the Executive Officers

The following table sets forth the names, ages, and the positions held by each of the executive officers of the company as of February 13, 2024 February 11, 2025:

Name	Age	Position
Sean J. Kerins	61 62	President, Chief Executive Officer
Rajesh K. Agrawal	58 59	Senior Vice President, Chief Financial Officer
Carine L. Jean-Claude	56 57	Senior Vice President, Chief Legal Officer and Secretary
Richard J. Marano	59 60	President, Global Components
Kristin D. Russell Eric C. Nowak	53 61	President, Global Enterprise Computing Solutions
Gretchen K. Zech	54 55	Senior Vice President, Chief Governance, Sustainability, and Human Resources Officer

Set forth below is a brief account of the business experience during the past five years of each executive officer of the company.

Table of Contents

Sean J. Kerins was appointed President, Chief Executive Officer in June 2022. Prior thereto, he served as Chief Operating Officer since December 2020. Prior thereto, he served as President, Global Enterprise Computing Solutions for more than five years.

Rajesh K. Agrawal was appointed Senior Vice President, Chief Financial Officer in September 2022. Prior thereto, he served as Executive Vice President, Chief Financial Officer for The Western Union Company for more than five years.

Carine L. Jean-Claude was appointed Senior Vice President, Chief Legal Officer and Secretary in June 2021. Prior thereto, she served as Vice President, Interim Chief Legal Officer and Secretary since December 2020. Prior thereto, she served as Vice President, Chief Compliance Officer for more than five years.

Richard J. Marano was appointed President, Global Components in August 2023. Prior thereto, he served as President, Americas Components since January 2020. Prior thereto, he served as Vice President, Sales, Americas Components for more than five years.

Kristin D. Russell Eric C. Nowak was appointed President, Global Enterprise Computing Solutions in December 2020. April 2024. Prior thereto, she he served as President, Global Services EMEA Enterprise Computing Solutions for more than five years.

Gretchen K. Zech was appointed Senior Vice President, Chief Governance, Sustainability, and Human Resources Officer in February 2022. Prior thereto, she served as Senior Vice President and Chief Human Resources Officer of the company for more than five years.

Table of Contents

Item 1A. Risk Factors.

Described below and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures about Market Risk” are certain risks that the company’s management believes are applicable to the company’s business and the industries in which it operates. If any one or more of the described events occur, the company’s business, reputation, results of operations, financial condition, stock price, liquidity, or access to the capital markets could be materially adversely affected. When stated below that a risk may have a material adverse effect on the company’s business, it means that such risk may have one or more of these effects. There may be additional risks that are not presently material or known.

Business Risks

The company’s revenues originate primarily from the sales of semiconductor, IP&E, and IT hardware and software products, the sales of which are traditionally cyclical and may be impacted by shortages and other disruptions in the global supply chain.

The semiconductor industry historically has experienced fluctuations in product supply and demand, often associated with changes in technology and manufacturing capacity and significant economic market upturns and downturns. Sales of semiconductor products and related services represented approximately 53%, 60%, and 60%, of the company’s consolidated sales in 2024, 2023, and 2022, respectively. The sale of the company’s IP&E products closely tracks the semiconductor market.

Accordingly, the company’s revenues and profitability, particularly in its global components reportable segment, may be, and have been, adversely affected by weakness in the semiconductor market. During 2023, the company’s global components reportable segment entered a cyclical downturn characterized by declining sales due to elevated customer inventory levels, which were largely a result of the normalization of shortages in electronic components markets towards the end of 2022. This downturn continued throughout 2024, and its duration and severity, and the related adverse impacts on the company’s results of operations, remain uncertain and difficult to predict. Additionally, economic weakness could cause a decline in spending in information technology, which could reduce demand for semiconductor-related products and services, thereby negatively impacting the company’s ECS reportable segment.

The current cyclical downturn in semiconductor markets and the technology industry has adversely impacted the company’s business and financial results throughout 2024, and a further prolongation or worsening of such conditions in the future could have a material adverse effect on the company’s business, profitability, and, consequently, stock price.

If the company is unable to maintain its relationships with its suppliers, if the suppliers materially change the terms of their existing agreements with the company or the company fails to abide by the terms of such agreements, if suppliers cease selling their products through distribution generally, or if supply chain shortages and other disruptions occur, the company’s business could be materially adversely affected.

A substantial portion of the company’s inventory is purchased from suppliers with which the company has entered into non-exclusive distribution agreements. These agreements are typically cancellable at any time or on short notice (generally 30 to 90 days). Some of the company’s businesses rely on a limited number of suppliers to provide a high percentage of their revenues. For example, sales of products from one of the company’s suppliers accounted for approximately 10% 8% of the company’s consolidated sales in 2023. 2024. To the extent that the company’s significant suppliers reduce the number of products they sell through distribution or cease selling their products through distribution entirely, experience disruptions in their supply chains, cease to continue doing business with the company, or are unable to continue to meet or significantly alter their obligations, the company’s business could be materially adversely affected. In addition, to the extent the company’s suppliers modify the terms of their contracts to the detriment of the company, limit supplies due to capacity constraints or other factors, or cancel such contracts or exercise remedies thereunder due to the company’s breach of contract terms, there could be a material adverse effect on the company’s business. Further, the supplier landscape has continued to experience a consolidation, which could negatively impact the company if the surviving, consolidated suppliers decide to exclude the company from their supply chains, and which could expose the company to increased pricing and dependence on a smaller number of suppliers, among other risks. Increasing consolidation in the industries

Table of Contents

where the company's suppliers operate may occur as companies combine to achieve further economies of scale and other synergies, which could result in reduced supplies, as companies seek to eliminate duplicative product lines and services, and increased prices, which could have a material adverse effect on the company's business.

The company's revenues originate primarily from the sales of semiconductor, IP&E (Interconnect, Passive & Electromechanical), and IT hardware and software products, the sales of which are traditionally cyclical and may be impacted by shortages and other disruptions in the global supply chain.

The semiconductor industry historically has experienced fluctuations in product supply and demand, often associated with changes in technology and manufacturing capacity and significant economic market upturns and downturns. Sales of semiconductor products and related services represented approximately 60%, 60%, and 57%, of the company's consolidated sales in 2023, 2022, and 2021, respectively. The sale of the company's IP&E products closely tracks the semiconductor market. Accordingly, the company's revenues and profitability, particularly in its global components reportable segment, may be adversely affected by weakness in the semiconductor market, which the company has experienced during 2023. Further, economic weakness could cause a decline in spending in information technology, which could reduce demand for semiconductors and other products and related services and thereby have a negative impact on the company's ECS business. A prolongation or worsening of the current weakness in semiconductor markets, or a future cyclical downturn in the technology industry, could have a material adverse effect on the company's business and negatively impact its ability to maintain historical profitability levels.

Table of Contents

The competitive pressures the company faces, such as pricing and margin reductions, could have a material adverse effect on the company's business.

The company operates competes for both customers and suppliers in a highly competitive international environment. The company competes with environment against other large multinational and national electronic components and enterprise computing solutions distributors, as well as numerous other smaller, specialized competitors who generally focus on narrower market sectors, products, or industries. The company also competes for customers with its suppliers. The size of the company's competitors varies across market sectors, as do the resources the company has allocated to the sectors in which it does business. Therefore, some of the company's competitors may have a more extensive customer and/or supplier base than the company in one or more of its market sectors. There is also significant Such robust competition broadly, and within each market sector and geography, that creates pricing and margin pressure and continuous demand for the company to improve service and product offerings. Additionally, some of the company's competitors may have more extensive customer and/or supplier bases than the company in one or more of its market sectors. Other competitive factors include rapid technological changes, product availability, credit availability, speed of delivery, ability to tailor solutions to changing customer needs, quality and depth of product lines and training, and increasing demand for customer service and support. The company also faces competition from its own suppliers and from companies in the logistics and product fulfillment, catalog distribution, e-commerce, design services, and supply chain services markets. Reduced pricing power and reduced margins, as well as a failure to adequately address evolving customer demand and otherwise respond to these competitive factors, could adversely impact the company's results of operations.

As the company continues to expand its business into new areas in order to stay competitive in the market, the company may encounter increased competition from its current and/or new competitors, making it difficult to retain or increase its market share.Further, the enterprise computing solutions industry has recently experienced, and continues to experience increased supplier consolidation resulting may result in companies suppliers with greater scale, market presence, and purchasing power. As a result, competition among enterprise computing distributors has increased. such as the company may experience difficulty maintaining favorable pricing and margins and experience related adverse impacts on operating results.

Declines in value of the company's inventory, or pre-paid IT Solutions, could materially adversely affect its business.

The market for the company's products and services is subject to rapid technological changes, evolving industry standards, changes in end-market demand, evolving customer expectations and demands, oversupply of product, and regulatory requirements, which can contribute to the decline in value or the obsolescence of the company's inventory. Although many of the company's suppliers provide the company with certain protections from the loss in value of inventory (such as price protection and certain rights of return), the company cannot be sure that (i) such protections will fully compensate it for the loss in value, that (ii) the suppliers will choose to, or be able to, honor such agreements, or that (iii) the company will be able to continue to secure such protections in the future. For example, many of the company's suppliers will not allow products to be returned after they have been held in inventory beyond a certain amount of time, and, in most instances, the return rights are limited to a certain percentage of the amount of products the company purchased in a particular time frame. Therefore, the company is not fully protected from a decline in the value of the company's inventory, and such decline could have a material adverse effect on the company's business.

The company, within its ECS reportable segment, has multi-year distribution agreements under which it has non-cancellable payment obligations through 2030, giving the company the right to sell a broad set of IT solutions. If the company is unable to sell sufficient IT solutions under these agreements to cover our purchase obligations, it could have a material adverse effect on the company's business.

The company's lack of long-term sales contracts may have a material adverse effect on its business.

Most of the company's sales are made on an order-by-order basis, rather than through long-term sales contracts. The company generally works with its customers to develop non-binding forecasts for future orders. Based on such non-binding forecasts, the company makes commitments regarding the level of business that it will seek and accept, the inventory that it purchases, and the levels of utilization of personnel and other resources. A variety of conditions over which the company has little or no control, both specific to each customer or generally affecting each customer's industry or the broader market, may cause customers to cancel, reduce, or delay orders that were either previously made or anticipated, file for bankruptcy protection, or default on their payments owed to the company. Significant or numerous cancellations,

---

Table of Contents

reductions, or delays in orders by customers, loss of customers, changes in pricing and sourcing, and/or customer defaults on payments could materially adversely affect the company's business.

If the company is unable to implement its Operating Expense Efficiency Plan effectively, it could materially adversely impact financial results.

In 2024, the company began a multi-year restructuring plan (the "Operating Expense Efficiency Plan" or the "Plan") designed to improve operational efficiency through various measures. Refer to Note 9 of the Notes to the Consolidated Financial Statements for discussion of the "Operating Expense Efficiency Plan."

The Operating Expense Efficiency Plan could adversely impact the company due to any of the following: a decrease in employee morale; difficulty hiring qualified employees in other regions; current cost-effective regions becoming more expensive; inefficiency due to geographic segmentation of employees and operations; disruptions in operations; unanticipated delays encountered in finalizing the scope of, and implementing, the restructuring; failure to achieve targeted cost savings; failure to meet operational targets and customer requirements; failure to manage supplier relationships; and failure to maintain adequate internal control over financial reporting. These risks are further complicated by the company's extensive international operations, which subject the company to different legal and regulatory requirements that govern the extent and speed of the company's ability to reduce or consolidate its operations and workforce. See also "*The company's success depends upon its ability to attract, retain, motivate, and develop key executive and employee talent and the strategies they develop and implement*".

The company's non-U.S. sales represent a significant portion of its revenues, and consequently, the company is exposed to risks associated with operating internationally.

In 2024, 2023, and 2022, and 2021, approximately 65%, 66%, 65%, and 66% 65%, respectively, of the company's sales came from its operations outside the United States. As a result of the significant extent of the company's international sales business and number of foreign locations, its operations, are the company is subject to a variety of risks, inherent in international operations, including the following:

Table of Contents

- import and export regulations that could erode profit margins or restrict exports;
- the burden and cost of compliance with international laws, regulations, treaties, and technical standards, including, without limitation, with respect to tax;
- potential restrictions on transfers of funds;
- trade protection measures, import and export tariffs and other restrictions, duties, and value-added taxes;
- transportation delays and interruptions;
- uncertainties arising from local business practices and cultural considerations;
- foreign laws that potentially discriminate against or disfavor companies headquartered outside the relevant jurisdiction;
- stringent antitrust regulations in local jurisdictions;
- volatility associated with sovereign debt of certain international economies;
- various jurisdictions' environmental protection laws and regulations, including those related to climate change; change and sustainability disclosures;
- non-compliance with local laws;
- potential social unrest, military conflicts, government shutdowns and disruptions, and other geopolitical risks and uncertainties; and
- currency fluctuations.

See also"*The company is subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws, anti-bribery laws, and anti-money laundering laws and regulations, as well as tariffs and trade protectionism. In the event of non-compliance, the company can face serious consequences, which can harm its business."* Refer to "Foreign Currency Exchange Risk" in Item 7.A Quantitative and Qualitative Disclosures About Market Risk for a further discussion of the company's description of the impacts of foreign currency exchange rates on the company's results and projections.

Table of Contents

Further, the impact of lower gross margins in certain regions could have a material adverse effect on the company's business. For example, the company's gross margins in the components business in the Asia/Pacific region tend to be lower than those in other markets in which the company sells products and services. If sales in this market increase as a percentage of overall sales, consolidated gross margins will be lower.

Changes in the company's global mix of earnings, tax laws, and changes in tax law and policy, regulations could cause fluctuations in the company's effective tax rate and could materially adversely impact financial results.

The company's effective tax rate may be adversely impacted affected by among other things, changes fluctuations in the geographic mix distribution of earnings, that are which may subject earnings to income taxes both different or multiple statutory tax rates. Shifts in the U.S. business environment or changes in tax laws and various foreign jurisdictions. Tax regulations governing in each jurisdiction impact statutory in which the company operates may also adversely affect the company's effective tax rates, rate. For further details on the company's deferred tax assets and liabilities valuation allowances on deferred and uncertain tax assets, and ultimately income taxes payable. Refer positions, refer to Note 1 of the Notes to the Consolidated Financial Statements for a further discussion of the company's determination of the value of its deferred tax assets and liabilities and uncertain tax positions.

The estimated effects of applicable tax laws, including current interpretation of the U.S. Tax Cuts and Jobs Act of 2017 and the Inflation Reduction Act of 2022, have been incorporated into the company's financial results. However, the U.S. Department of Treasury, Internal Revenue Service ("IRS"), and other standard-setting bodies could issue future legislation or guidance that might negatively impact the company's tax planning or differ from the company's interpretations. Statements.

In 2021, the Organization for Economic Co-operation recent years, numerous domestic and Development (OECD) announced the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, which provides for a two-pillar solution to address tax challenges arising from the digitalization of the economy. Pillar one expands a country's authority to tax profits from companies that make sales into their country but do not have a physical location in the country. Pillar two includes an agreement on international tax reform, including rules to ensure that proposals have been issued and enacted which have increased the tax burden on large corporations pay a minimum rate of corporate income tax. In December of 2021, multinational companies. For example, the OECD released pillar two model rules defining has advanced new tax proposals affecting international taxation, including the establishment of a global minimum tax which calls for the taxation of large corporations at a minimum rate of 15%. The OECD continues to release additional guidance on the two-pillar framework, with widespread implementation, in, which many countries in which the company operates, beginning in 2024. The company is continuing to evaluate the potential impact on future periods of the two-pillar framework, pending legislative adoption by individual countries. are either considering implementing or have already implemented. Any new tax legislation could impact the company's tax obligations in the countries where it does business and result in operates, leading to increased taxation of our its international earnings, but should not have an adverse impact on its business. earnings.

Changes Moreover, changes to U.S. or foreign tax laws could have broader implications, including impacts to indirect effects on the economy, currency markets, inflation, or competitive dynamics, which are difficult to predict and may negatively impact the company. Such tax

Table of Contents

developments could further increase uncertainty and have a material adverse impact on the company's cash flows, effective tax rate, and financial results.

Additionally, the company's tax returns are subject to periodic audits The company is regularly audited by U.S. and foreign tax authorities. These Although the company provisions for income taxes and tax estimates, the final resolution of these audits may result differ, in global reallocation of income and expense that is different some cases materially, from what has been estimated the estimates reflected in the company's financial results. Such Additionally, economic and political pressures to increase tax audits could result revenue by various jurisdictions may make resolving tax disputes more challenging than in an adverse effect on the company's tax liability, increase effective tax rates, past.

Acquisitions, divestitures, or joint ventures may cause the company to experience operating difficulties and increase the complexity and cost of tax compliance, all of which could adversely other consequences that may negatively impact the company's business, financial condition, and operating results, cash flows, and financial condition.

When the company makes acquisitions, it may take on additional liabilities or may not be able to successfully consummate favorable transactions or integrate such acquisitions. acquired businesses.

From time to time, the company has, and may continue to evaluate potential acquisitions, divestitures, joint ventures, or other strategic transactions that could further the company's strategic objectives. As part of the company's history and growth strategy, it has acquired other businesses and continues to evaluate strategic opportunities to acquire additional businesses from time to time. The company has also in the past, and may in the future, divest or reduce its investment in certain businesses and product lines. Acquisitions and divestitures involve numerous risks, including the following: including:

- effectively combining the acquired operations, technologies, or products;
- unanticipated costs or assumed or retained liabilities, including, but not limited to, those associated with combining and integrating operations, technologies, and facilities;
- costs associated with regulatory actions or investigations;
- difficulty identifying potential acquirers or other divestiture options on favorable terms;
- the inability to retain and obtain required regulatory approvals, licenses, and permits: permits;
- delayed completion due to local consultation laws;
- not realizing the anticipated financial benefit from the acquired companies;
- in the event the acquisition is funded with proceeds of indebtedness, increased interest costs;
- diversion of management's attention;
- negative effects on existing customer and supplier relationships;
- disruption due to the integration and rationalization of operations, products, technologies, and personnel;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, data privacy and security issues, violations of laws, commercial disputes, tax liabilities, environmental issues and remediation expenditures, and other known and unknown liabilities;
- change in the company's effective tax rate;
- difficulty separating assets or businesses (or portions thereof) from the company's other businesses;
- decrease in margins, loss of revenue, operating income, or disruption to customer relationships as a result of a divestiture;

Table of Contents

- litigation or other claims in connection with an acquired company or a divestiture, including claims from terminated employees, customers, current or former equity holders, or other third parties;
- significant costs associated with exit or disposal activities or related impairment charges; and
- potential loss of key employees of the company or acquired companies.

The company has in the past, and may in the future, divest or reduce its investment in certain businesses or product lines from time to time. Such divestitures involve risks, such as difficulty separating portions from the company's other businesses, distracting employees, incurring potential loss of revenue, negatively impacting margins, and potentially disrupting customer relationships. The company may also incur significant costs associated with exit or disposal activities, related impairment charges, or both.

Further, the company has made, and may continue to make acquisitions of, or investments in new services or technologies to expand its current service offerings and product lines. Some of these may involve risks that may differ from those traditionally associated with the company's core distribution business. In addition, the company's effective tax rate for future periods could be impacted by mergers and acquisitions. If the company is not able to successfully manage any of these risks in relation to future acquisitions or divestitures, it could have a material adverse effect on the company's business.

If the company is not able to or fails to adequately invest successfully in and introduce digital, artificial intelligence ("AI"), and other technological developments, or its suppliers are not able to continue to offer competitive components and electronic computing solutions, it could materially adversely impact results.

The company's industry is subject to rapid and significant technological changes, and the company's ability to meet its customers' needs and expectations is key to the company's ability to grow sales and earnings. The company's customers and suppliers increasingly expect the company's platforms to include digital technologies to facilitate distribution of components and electronic computing solutions over time. For example, the ability of customers to access their accounts, place orders, and otherwise interface with the company using digital technology is an important aspect of the distribution industry, and distribution companies are rapidly introducing new digital and other technology-driven products and services that aim to offer a better customer experience and reduce costs. If the company is unable to maintain and enhance its digital platforms, cloud platforms, and artificial intelligence related tools to keep pace with competitors and align with evolving customer and supplier expectations and demands, it could adversely impact the company's sales revenues and ability to retain existing, and attract new, customers.

Table Additionally, the company has made, and may continue to make, acquisitions of, Contentsor investments in new services or technologies to expand its current service offerings and product lines, which may involve risks that may differ from those traditionally associated with the company's core distribution business. See also "*Acquisitions, divestitures, or joint ventures may cause the company to experience operating difficulties and other consequences that may negatively impact the company's business, financial condition, and operating results, and the company may not be able to successfully consummate favorable transactions or integrate acquired businesses*".

The company's sales are also partially dependent on continued innovations in components and electronic computing solutions by its suppliers, the competitiveness of its suppliers' offerings, and the company's ability to partner with new and emerging technology providers. The company may have difficulty offering customers components, services, and solutions that anticipate and respond to rapid and continuing changes in technology and which meet their evolving demands. See also "*The competitive pressures the company faces, such as pricing and margin reductions, could have a material adverse effect on the company's business*".

Operational Risks

The company's success depends upon its ability to attract, retain, motivate, and develop key executive and employee talent and the strategies they develop and implement.

Any failure to attract, retain, motivate, and develop key executive and employee talent may materially and adversely affect the company's business.

The company's success depends, to a significant extent, on the capability, expertise, and continued services service of its key executives. executives and employees. The company relies on the expertise and experience of certain key executives and employees in developing business strategies, managing business operations, and cultivating new and maintaining existing relationships with customers and suppliers. If the company were to lose any of its key executives or employees, it may not be able to find a suitable replacement with comparable knowledge and experience in a timely manner, or if at all, at a similar level of remuneration and other benefits. Restrictions

The company relies on immigration or changes in immigration laws could limit its employee workforce to execute the business strategy, service customers and suppliers, and perform daily operations. The company's Operating Expense Efficiency Plan involves the reduction of the company's access employee workforce and may adversely affect the company's internal programs and initiatives as well as the company's ability to qualified attract, recruit and retain skilled professionals, increase and motivated personnel. The Operating Expense Efficiency Plan may also be

---

Table of Contents

distracting to employees and may negatively impact the cost company's business operations, reputation, or ability to serve customers. Relatedly, the company also faces risks of doing business, or otherwise disrupt operations.

mismanaging employee relations and terminations and becoming subject to legal claims as a result.
Additionally, management transitions, such as the company's transition company's transitions in 2024 to a new president of the global components business in 2023, ECS and new chief strategy officer, may create uncertainty, divert resources and management attention, or impact public or market perception, any of which could negatively impact the company's ability to operate effectively or execute its strategies and result in an adverse impact on its business. Further, new executives may have different backgrounds, experiences, and perspectives from those individuals who previously served in these roles and thus may have different views on the issues that will determine the company's future, potentially resulting in employee, customer, and supplier uncertainty.

Restrictions on immigration or changes in immigration laws could have adverse impacts on macroeconomic conditions, limit the company's access to qualified and skilled professionals, increase the cost of doing business, delay international business travel, or otherwise disrupt operations.

The company relies heavily on its internal information systems, which, if not properly functioning, could materially adversely affect the company's business.

The company relies on its information systems to support daily operations and generate timely, accurate, and reliable financial and operational data. The company's current global operations reside on multiple technology platforms, some of which are currently undergoing projects intended to streamline or optimize these platforms. The size and complexity of the company's computer information systems make them potentially vulnerable to breakdown, malicious intrusion, defective software updates from the company's information-technology vendors, failure to keep software updated and ransom attack. current, and ransomware attacks. Failure to properly or adequately address any unaccounted for or unforeseen such issues could impact the company's ability to perform necessary business operations, which could materially adversely affect the company's business.

Technologies used in or integrated into the company's operations, such as cloud-based services, artificial intelligence, and automation, may cause an adverse shift in the way the company's existing business operations are conducted. In addition, AI algorithms may be flawed. Datasets used to train the models which support the company's AI offerings or internal use may be insufficient or contain biased information or lead to unexpected or unintended outcomes, which could erode trust in the company's AI systems and subject the company to competitive harm, regulatory action, and legal liability.

Cybersecurity and Privacy Risk

Cybersecurity incidents as well as ransomware may hurt the company's business, damage its reputation, increase its costs, and cause losses.

The company's information technology systems could be subject to significant cyber security and privacy incidents, including, but not limited to, invasion, malicious intrusion, inducement (fraudulent or otherwise) by third parties to obtain information from employees, customers, or suppliers; cyber-attacks; ransom demands; or cybersecurity breaches caused by third parties as well as employees and others with authorized access. access; social engineering; nation-state attacks; exploitation of unpatched or unmanaged vulnerabilities; destruction or other misuse of data that could harm the company, operations, or the company's competitive position. The company and its service providers have been, and continue to be, the subject of cyber-attacks. While cybersecurity incidents have not caused any material interruption to the company's business, strategy, results of operations, or financial condition, there can be no assurance that such incidents will not have a material adverse impact on the company in the future.

Any such incident, whether successful or unsuccessful, could result in, without limitation, disruption to the company's operations; loss or compromise of, or damage to, the company's or any of its customers' or suppliers' data, confidential information; significant legal, regulatory, and financial exposure; damage to the company's reputation; significant costs related to rebuilding internal systems, managing company brand and reputation, litigation, fines, damages, responding to regulatory inquiries, and taking other remedial steps; loss of competitive advantage; and a loss of confidence in the security of the company's information technology systems. In each case, that systems, any of which could potentially have an adverse impact on the company's business, including by impairing the company's ability to sell its products and services. Because the techniques used to cause these incidents and gain unauthorized access to, disable, or sabotage the company's information technology systems and data

Table of Contents

stored on those systems change frequently and often are not recognized until launched, the company may

Table of Contents

be unable to anticipate these techniques them or to implement adequate preventive or protective measures to guard against them. Further, third parties, such as hosted solution providers, are a source of risk because they could be subject to the same or other similar types of incidents, for example in the event of a failure of their own systems and infrastructure or if they experience their own privacy or security event, which could create risks similar to those described above. These third parties could include organizations in the company's supply chain, which if subject to an incident, could adversely impact the company's ability to deliver service its goods customers and services. suppliers.

Failure to maintain satisfactory compliance with certain privacy and data protections laws and regulations may subject us the company to substantial negative financial consequences and civil or criminal penalties.

Global privacy legislation, enforcement, and policy activity are also rapidly expanding and creating a complex compliance environment. The company's actual or perceived failure to comply with federal, state, or international privacy related or data protection laws and regulations could result in damage to the company's reputation as well as proceedings against the company by governmental entities or others, which could have a material adverse effect on its business.

Regulatory and Legal Risks

Products sold or designed by the company may be found to be defective and, as a result, warranty and/or product liability claims may be asserted against the company, which may have a material adverse effect on the company.

The As a distributor, the company sells its components or services at prices that are significantly lower than the cost of the equipment or other goods in which they are incorporated. As a result, the company may face claims for damages (such as consequential damages) that are disproportionate to the revenues and profits it receives from the components involved in the such claims. Further, the company's ability to avoid such liabilities pursuant to defective product provisions in its supplier agreements may be limited as a result of differing factors, such as the inability to exclude such damages due to third party contractual provisions or the laws of some of the countries where the company does business. The company's business could be materially adversely affected as a result of a significant quality or performance issue in the products sold by the company if it is required to pay for the associated damages. The company's product liability insurance is limited in coverage and amount and may not be sufficient to cover all possible claims. Further, when relying on contractual liability exclusions, the company could lose customers if their claims are not addressed to their satisfaction.

In the company's rendering of integration services, the company may be exposed to increased risks associated with product defects. Defects arising from integration services could lead to product liability claims, recalls, fines, and penalties. These risks are particularly pronounced in applications for aerospace, automotive, and medical products, where product failures could result in serious harm to end users. Any such adverse events could affect our financial condition, operating results, and reputation.

The company is subject to laws and regulations that could have a negative impact on our business, including, without limitation, U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws, anti-bribery laws, and anti-money laundering laws and regulations. regulations, as well as tariffs and trade protectionism. In the event of non-compliance, the company can face serious consequences, which can harm its business.

The company is subject to export control complex and import evolving laws and regulations worldwide that differ among jurisdictions and affect our operations, including the U.S. Export Administration Regulations ("EAR"), EAR, U.S. Customs regulations, and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls ("OFAC"). OFAC. Products the company sells which are either manufactured in the United States or based on U.S. technology ("U.S. Products") are subject to the EAR when exported and re-exported to and from all international jurisdictions, in addition to the local jurisdiction's export regulations applicable to individual shipments. Licenses or proper license exemptions may be required by local jurisdictions' export regulations, including EAR, for the shipment of certain U.S. Products to certain countries, including China, India, and other countries in which the company operates. The company may not be able to effectively monitor the activities of all of its employees involved in regulated export or shipment activities, which may lead to the company's failure to prevent violations of such regulations.

Table of Contents

Non-compliance with the EAR, OFAC regulations, or other applicable export regulations can result in a wide range of penalties including the denial or restriction of export privileges, significant fines, criminal penalties, and the seizure of inventories, any of which could have a material adverse effect on the company's business. The company's distribution process also includes the use of third parties that operate outside of the company's direct control. Noncompliance with applicable import, export, and other laws and regulations by these third parties may result in substantial liability to the company and harm the company's reputation.

Table of Contents

Further, the company is also subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. §201, § 201, and other national and sub-national anti-bribery and anti-money laundering laws in the countries in which it conducts business. Anti-corruption laws have been enforced aggressively in recent years and are interpreted broadly. The company can be held liable under these laws for the corrupt or other illegal activities of its employees, agents, contractors, counterparties, and third parties it engages to provide services, even if it does not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences.

The company's global business also could be negatively affected by trade barriers, such as tariffs, and other governmental protectionist measures, which may decrease demand for the company's products. Such measures can be imposed suddenly and unpredictably and may increase the prices of many of the products that the company purchases from its suppliers. Tariffs and other protectionist measures, and the additional operational costs incurred in minimizing the number of products subject to them, could adversely affect the operating profits for certain of the company's businesses and customer demand for certain products, which could have an adverse effect on its business and results of operations.

In the event that the company pays tariffs for products it imports from China, which are then re-exported to other locations outside of the United States, the company may be eligible for refunds of certain tariffs. In order to qualify for these tariff drawbacks, the company must provide data and documentation to the U.S. government that it must obtain from third-party sources, such as its suppliers. There is no guarantee the company will be able to obtain this additional data and documentation from those other sources, which could result in the U.S. government rejecting the drawback requests. There have been, and there could be, additional administrative costs in furtherance of these efforts.

The company is subject to environmental laws and regulations, and sustainability initiatives, and may be impacted by climate change, in ways that could materially adversely affect its business.

A number of jurisdictions in which the company's products are sold have enacted laws addressing environmental and other impacts from product disposal, use of hazardous materials in products, use of chemicals in manufacturing, recycling of products at the end of their useful life, and other related matters. These laws prohibit the use of certain substances in the manufacture of products sold by the company and impose a variety of requirements for modification of manufacturing processes, registration, chemical testing, labeling, and other matters. Failure to comply with these laws or any other applicable environmental regulations could result in fines or suspension of sales. Additionally, these directives and regulations may result in the company having non-compliant inventory that (i) may be less readily salable or have (ii) the company may need to be written write off.

Certain environmental laws impose liability, sometimes without fault, for investigating or cleaning up contamination on or emanating from the company's currently or formerly owned, leased, or operated property, as well as for damages to property or natural resources and for personal injury arising out of such contamination. Under these laws and regulations, the company may be responsible for investigating, removing, or otherwise remediating hazardous substances released at properties or facilities it owns or operates, regardless of when such substances were released. For example, the company assumed responsibility for is currently obligated to perform environmental remediation on two sites that it acquired obtained as part of an acquisition transaction (refer to Note 15 of the Wyle Electronics ("Wyle") acquisition in August 2000, which such remediation and related assessment remains ongoing. Notes to the Consolidated Financial Statements). The presence of environmental contamination at any of the company's locations could also interfere with ongoing operations or adversely affect the company's ability to sell or lease its properties. The discovery of contamination for which the company is responsible, the enactment of new laws and regulations, or changes in how existing regulations are enforced, could require the company to incur costs for compliance or subject it to unexpected liabilities.

Table of Contents

Additionally, long-term climate change impacts, including the frequency and magnitude of severe weather events, and natural disasters, may significantly impact the company's operations and business, either directly or indirectly, by adversely affecting the price and availability of energy, and the supply of other services or materials throughout the company's supply chain, any of which could have a material adverse effect on the company's business. Proposed and existing efforts to address concerns over climate change by reducing greenhouse gas emissions could also directly or indirectly affect the company's costs of energy and other operating costs.

The company is subject to a variety of claims, investigations and litigation that could adversely affect the company's results of operations and harm the company's reputation, including intellectual property rights claims.

The company has in the past and may in the future be subject to claims, investigations, regulatory proceedings, and lawsuits in and outside the ordinary course of business, including related to product liability and warranties, investigations by governmental agencies, litigation alleging the infringement of intellectual property rights, securities and shareholder litigation, and litigation related to employee matters and commercial disputes. Such matters are unpredictable. Managing, defending, and responding to claims, investigations, and lawsuits may divert management's attention, damage the company's reputation, and cause the company to incur significant expenses, even if there is no evidence that the company is at fault. In addition, the company may be required to pay damage awards, penalties, fines, or settlements, or become subject to intellectual property rights claims, injunctions or other equitable remedies, which are costly to defend, could require payment of damages or licensing fees and could limit have a material adverse effect on the company's ability business, financial condition, results of operations and cash flows. Moreover, any insurance or indemnification rights that the company has may be insufficient or unavailable to use certain technologies in protect the future. company against potential loss exposures.

Certain of the company's products and services include intellectual property owned primarily by the company's third-party suppliers and, to a lesser extent, the company itself. Substantial litigation itself, and threats risk of litigation regarding these intellectual property rights exist in the semiconductor/integrated circuit, software and some service industries. From time to time, third exists. Third parties (including certain companies in the business of acquiring which acquire patents not for the purpose of developing technology but with the intention of aggressively seeking artificial licensing revenue from purported infringers) and not actually developing technology) may assert patent, copyright and/or other intellectual property rights to technologies that are important to the company's business, and for which the company may not be able to seek indemnification from its suppliers for itself and its customers against such claims. obtain indemnification. In addition, the company is exposed to potential liability either for technology that it develops itself or when it combines multiple technologies of its suppliers for which it the company may have limited or no indemnification protections. In any dispute involving products or services that incorporate intellectual property from multiple sources or that is developed, licensed by the company, or obtained through acquisition, the company's customers could also become the targets of litigation. protection. The

Table of Contents

company may also be obligated required to indemnify and defend its customers if a customer in the products or services the company sells are alleged to infringe any third-party's event it becomes a target of intellectual property rights. litigation.

Any infringement or indemnification claim brought against the company, regardless of the duration, outcome, or size of damage award, could:

- could result in substantial cost to the company;
- divert management's attention and resources;
- be time consuming to defend;
- result in substantial damage awards; or
- cause product shipment delays.

Additionally, if an infringement claim against the company, including potential for damage awards; be time consuming and costly to defend; or its customers is successful, cause product shipment delays. Moreover, in the event of an adverse determination, the company may be required to pay damages or seek royalty or license arrangements, which may not be available on commercially reasonable terms. terms or may be unavailable entirely. In such circumstance, the company would be required to stop selling certain products or technologies, which could negatively affect the company's ability to compete effectively. The payment of any such damages or royalties may significantly increase the company's operating expenses and materially harm the company's operating results and financial condition. Further, royalty or license arrangements may not be available at all, which would then require the company to stop selling certain products or using certain technologies, which could negatively affect the company's ability to compete effectively.

The company may not be able to adequately anticipate, prevent, or mitigate damage resulting from criminal and other illegal or fraudulent activities committed against it or as a result of misconduct or other improper activities by its employees or contractors.

Global businesses are facing increasing operational risks, of including potential criminal, illegal, and other fraudulent acts. Due to the evolving nature of such threats, considering new and sophisticated methods used by criminals, including phishing, misrepresentation, social engineering, and forgery, it is increasingly difficult for the company to anticipate and adequately mitigate these risks. In addition, designing and implementing measures to defend against, prevent, and detect these types of activities are increasingly costly and invasive to the operations of the business. Misconduct or failure of its employees or contractors to adhere to company policy may further heighten such risks. As a result, the company could experience a material loss to the extent that if its controls and other measures implemented to address these threats fail to prevent or detect such acts.

In addition, misconduct by its employees or contractors may include intentional or negligent failures to comply with the applicable laws and regulations, in the United States and abroad, safeguard personally identifiable information, report financial information or data

Table of Contents

accurately, or disclose unauthorized activities to the company. Such misconduct could result in legal or regulatory sanctions and threatened or filed lawsuits on behalf of impacted third-parties, including customers and suppliers, against the company, and, as a result, cause serious harm to the company, including to its reputation.

It is not always possible to identify and deter employee misconduct, and any other precautions the company takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting the company from governmental investigations or other actions, including lawsuits on behalf of third-parties, including customers or suppliers, stemming from a failure to comply with these laws or regulations. If any such actions are instituted against the company, and it is not successful in defending itself or asserting its rights, those actions could result in the imposition of significant civil, criminal, and administrative penalties, which could have a significant impact on the company's business. Whether or not the company is successful in defending against such actions, it could incur substantial costs, including legal fees, and divert the attention of management in defending itself against them.

Expectations and regulations relating to environmental, social, and governance ("ESG") and corporate responsibility matters, and related disclosures, expose the company to potential liabilities, increased costs, reputational harm, and other adverse effects on the Company's business.

Investors, customers, regulators, governments, and other stakeholders continue to place emphasis on ESG and other corporate stewardship considerations, and the company may fail to meet third-party expectations in this regard. The company has made statements about various ESG-related standards, policies, and targets, and a number of the company's customers and suppliers require adherence to environmental and human rights policies. Failing to meet such standards adopted by or imposed on the company may result in reputational damage, loss of business, or potential liability. Whether the company discloses, or chooses not to disclose, ESG or corporate stewardship-related initiatives, it could face scrutiny regarding the adequacy of its actions, including from investors and proxy advisory firms. In addition, distinct stakeholders may consider different criteria and apply different methodologies in evaluating the company's ESG or corporate stewardship performance. This lack of standardization creates potential for wide disparity in assessments, including misrepresentations or unfavorable assessments of the company's corporate stewardship program and initiatives. Failure to adequately meet the expectations of investors, proxy advisors, customers, suppliers, and other stakeholders in this area may also result in diluted market valuation, an inability to attract or retain customers and suppliers, and an inability to attract and retain top talent.

Additionally, the company is or may be obligated to comply with new ESG and corporate stewardship-related disclosure requirements under United States federal and state laws, the European Green Deal, and other laws in various jurisdictions concerning human rights, governance, and environmental practices. As regulations in these areas increase in number and scope, the company may be required to develop additional governance and compliance frameworks, implement new processes, establish controls, monitor performance metrics, undergo independent assessments, and prepare detailed public reports on an ongoing basis regarding the financial and non-financial risks and impacts associated with the company's operations and value chains. These laws and regulations may result in significant legal, compliance, accounting, operational, and administrative costs to the company, and may strain the company's personnel, systems, and other resources. If the company fails to satisfy these new regulatory and other requirements, the company could be exposed to fines, penalties, and other sanctions, and sustain harm to its reputation.

Additionally, certain of the company's business units contract or subcontract with U.S. government agencies, and on January 21, 2025, the President of the United States of America issued certain executive orders imposing new requirements on federal contractors and subcontractors prohibiting so-called "diversity, equity, and inclusion" practices in their employment, procurement, and contracting activities and requiring them to contractually certify that they do not operate diversity, equity, and inclusion programs violating the federal anti-discrimination laws. If the company is deemed to have violated these executive orders and any related laws or regulations, it may jeopardize the ability of the company's business units to continue to do business as federal contractors or subcontractors, resulting in decreases in the company's overall revenue.

Table of Contents

Financial Risks

The company may not have adequate or cost-effective liquidity or capital resources, which could have a material adverse impact on its ability to maintain cash necessary to operate its business. business or return capital to shareholders.

The company requires cash or committed liquidity facilities for general corporate purposes, such as funding its ongoing working capital, acquisitions, capital expenditure needs, refinancing indebtedness, and returning capital to shareholders. shareholders and funding costs and expenses in implementing the Operating Expense Efficiency Plan. The company's committed and undrawn liquidity stands at over $2.2 $2.8 billion in addition to $218.1 million $188.8 million of cash on hand at December 31, 2023 December 31, 2024. The company's ability to satisfy its cash needs depends on its ability to generate cash from operations and to access the financial markets, both of which are subject to general economic, financial, competitive, legislative, regulatory, and other factors that are may be beyond its control.

The company's ability to obtain external financing is affected by various factors, including general financial market conditions, the company's debt ratings, and the company's debt ratings. financial performance. For example, economic uncertainty or adverse economic conditions resulting from the impacts of and responses to pandemics and other public health issues, natural disasters, changes in global, national, or regional economies, inflation, governmental policies, political unrest, military action and armed conflicts, terrorist activities, political and social turmoil, civil unrest, and other crises could result in significant or sustained disruption of global financial markets, thereby reducing the company's access to capital.

Further, any increase in If the company's level leverage ratios or other measures tracked by credit rating agencies exceed thresholds generally permitted by such agencies for an investment grade credit rating for an extended period of debt or deterioration of its operating results time it may cause a reduction in its the company's current debt ratings. ratings to a level below investment grade. Any downgrade in the company's current debt rating or tightening of credit availability could impair the company's ability to obtain additional financing; financing on favorable terms, redeem existing indebtedness or renew existing credit facilities on acceptable favorable terms, if at all; negatively impact the price of the company's common stock; increase its interest payments under existing debt agreements; and have other negative implications on its business, many of which are beyond the company's control. business. Under the terms of any additional external financing, the company may incur higher financing expenses and become subject to additional onerous restrictions and covenants. For example, covenants that may adversely impact the company's existing debt agreements contain restrictive covenants, including covenants requiring compliance with specified financial ratios, operations and a failure ability to comply with these or any other covenants may result in an event of default. pursue strategic initiatives. An increase in the company's financing costs or loss of access to cost-effective capital resources could also have a material adverse effect on the company's business.

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

The agreements governing some of the company's financings contain various covenants and restrictions that, in certain circumstances, could limit its ability to:

- grant liens on assets;
- make investments or certain acquisitions;
- merge, consolidate, or transfer all or substantially all of its assets;
- incur additional debt; or
- engage in certain transactions with affiliates.

As a result of these covenants and restrictions, the company may be limited in how it conducts its business and may be unable to raise additional debt, compete effectively, or make investments.

Further, if an event of default under any of the company's existing debt agreements occurred or became imminent, the lenders under any such facility may have the right to declare all outstanding indebtedness immediately due and payable, and lenders under the company's other debt facilities may likewise be able to declare a cross-default. If the company does not have access to capital under its existing credit facilities due to such an event, alternative sources of capital may be more expensive than the costs incurred under the company's existing credit facilities. Further, the company may be unable to borrow additional amounts under the relevant credit facility or under its other credit facilities (in the event of a cross-

20

Table of Contents

default), and as a result may be unable to make acquisitions, fund share repurchases, or meet other financial obligations, and the lenders thereunder may be able to accelerate the company's obligations under the credit facility. obligations. This circumstance would have a material adverse effect on the company's financial position and results of operations.

17

Table of Contents

The company's goodwill and identifiable intangible assets could become impaired, which could reduce the value of its assets and reduce its net income in the year in which the write-off occurs.

The company may incur impairment charges on goodwill or identifiable intangible assets if it determines that the fair values of the goodwill or identifiable intangible assets are less than their current carrying values. If events or circumstances occur that indicate all, or a portion, of the carrying amount of goodwill or identifiable intangible assets is or may no longer be recoverable, an impairment charge to earnings may become necessary.

A decline in general economic conditions, a substantial increase in market interest rates or persistence of a high market-interest rate environment, and an increase in income tax rates, or the company's inability to meet long-term working capital or operating income projections, in each case, could impact future valuations of the company's reporting units, and the company could be required to record an impairment charge in the future, which could impact the company's consolidated balance sheets, as well as the company's consolidated statements of operations. If the company were required to recognize an impairment charge in the future, the charge would not impact the company's consolidated cash flows, current liquidity, capital resources, and covenants under its existing revolving credit facility, North American asset securitization program, and other outstanding borrowings.

General Risks

General business conditions are vulnerable to the effects***Global, regional, and local economic weakness and uncertainty, including because of epidemics and pandemics, which could materially disrupt the company's business and have a negative impact on the company's financial results and financial condition.***

The company is vulnerable to the general economic effects of epidemics, pandemics, and other public health crises. In addition, a U.S. or global recession or a banking crisis triggered by an epidemic, pandemic, or other public health crises could have a material adverse effect on the company's business, financial results performance.

The company's business and financial condition, including by reducing performance depend on worldwide economic conditions and the demand for its technology products and services reducing in the access markets in which the company competes. Ongoing economic weakness, uncertainty in markets throughout the world, and other adverse economic conditions, such as the recent downturn in the semiconductor market, have and may continue to its supplies, increasing result in decreased net revenue, gross margin, earnings, growth rates or cash flows, and increased expenses and difficulty managing inventory levels, collecting customer defaults, reducing its access receivables, and accurately forecasting revenue, gross margin, cash flows and expenses.

Political developments impacting international trade, trade disputes and increased tariffs, particularly between the United States and China; political instability, such as armed conflicts (including the conflicts in Russia, Belarus, and Ukraine, in Israel and the Gaza Strip, and in Syria); and the effects of epidemics, pandemics, and other public health crises each, or collectively may negatively impact markets and cause weaker macroeconomic conditions, weakening demand for the company's products and services, particularly due to capital, the company's extensive international operations and reducing business. Economic downturns also may lead to future restructuring actions and associated expenses, any of which could have a material adverse effect on the value of its common stock.company's business.

If the company fails to maintain an effective system of internal controls or discovers material weaknesses in its internal control over financial reporting, it may not be able to report its financial results accurately or timely or detect fraud, which could have a material adverse effect on its business.

An effective internal control environment is necessary for the company to produce reliable financial reports, safeguard assets, and is an important part of its effort to prevent financial fraud. There are inherent limitations on the effectiveness of internal controls, including collusion, management override, and failure in human judgment. In addition, control procedures are designed to reduce rather than eliminate financial statement risk. If the company fails to maintain an effective system of internal controls, or if management or the company's independent registered public accounting firm discovers material weaknesses in the company's internal controls, it may be unable to produce reliable financial reports or prevent fraud, which could have a material adverse effect on the company's business. In addition, the company may be subject to sanctions or investigation by regulatory authorities, such as the SEC or the NYSE. Any such actions could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of the company's consolidated

Table of Contents

financial statements, which could cause the market price of its common stock to decline or limit the company's access to capital.

Global, regional, and local economic weakness and uncertainty could have a material adverse effect on the company's financial performance.

The company's business and financial performance depend on worldwide economic conditions and the demand for technology products and services in the markets in which the company competes. Ongoing economic weakness, uncertainty in markets throughout the world, and other adverse economic conditions may result in decreased net revenue, gross margin, earnings, growth rates or cash flows, and increased expenses and difficulty managing inventory levels, collecting customer receivables, and accurately forecasting revenue, gross margin, cash flows and expenses. Political developments impacting international trade, trade disputes and increased tariffs, particularly between the United States and China; and political instability, such as armed conflicts (including the conflicts in Russia, Belarus, and Ukraine, and

Table of Contents

Israel and the Gaza Strip), each, or collectively may negatively impact markets and cause weaker macroeconomic conditions, weakening demand for the company's products and services, particularly due to the company's extensive international operations and business. Economic downturns also may lead to future restructuring actions and associated expenses, any of which could have a material adverse effect on the company's business.

Expectations relating to environmental, social, and governance considerations and related disclosures expose the company to potential liabilities, increased costs, reputational harm, and other adverse effects on the Company's business.

Investors, customers, and other stakeholders are placing substantial emphasis on environmental, social, and governance factors, and the company may be unable to meet investor expectations in this regard. In the event that the company communicates certain initiatives or goals regarding environmental, social, and governance matters, it could fail, or be perceived to fail, in its achievement of such initiatives or goals, or it could be criticized for the scope of such initiatives or goals or even subject to litigation or other liabilities associated with such disclosure. A failure to adequately meet these various stakeholder expectations and standards may result in reputational damage, the loss of business, diluted market valuation, an inability to attract customers or an inability to attract and retain top talent.

In addition, a number of the company's customers have adopted, or may adopt, procurement policies that may impose sustainability standards on suppliers. The perceptions held by the company's shareholders, potential investors, suppliers, customers, other stakeholders, or the communities in which the company does business may depend, in part, on whether the company meets on a timely basis, or at all, the sustainability standards imposed on the company or that the company chooses or aspires to achieve. The subjective nature and wide variety of methods and processes used by various stakeholders, including investors, to assess environmental, social, and governance criteria could result in a negative perception or misrepresentation of the company's sustainability policies and practices. Also, by electing to establish and publicly disclose the company's environmental, social, and governance goals, including sustainability standards, the company's business may face increased scrutiny and potential liability related to such activities, and the company's reputation could be harmed. In addition, sustainability related laws, regulations, requirements, and initiatives may significantly increase compliance costs. For example, future rules and regulations that provide for enhanced and standardized climate-related disclosures, if adopted, may result in additional legal, accounting, and financial compliances costs; make some activities more difficult, time-consuming and costly; and strain the company's personnel, systems, and resources.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Risk Management and Strategy

The company maintains a multi-layered approach to cybersecurity risk management which leverages technology and human oversight. The company uses active and passive methods designed to continuously monitors its monitor information systems to and assess, identify, and manage risks from potential vulnerabilities and assess cybersecurity threats. The company's This digital-security management process for identifying and assessing material risks from cybersecurity threats operates alongside is integrated into the company's broader overall enterprise risk assessment process. The company monitors risks through active (e.g., penetration tests and vulnerability scans) and passive (e.g., end-point protection) methods and addresses system alerts on a constant basis. The company's cybersecurity team immediately investigates system alerts that may indicate the presence of a cybersecurity threat or incident and escalates information regarding the threat or incident as necessary to address it in a timely manner. The company also maintains an incident response plan, which sets forth processes the company will follow to address a significant cybersecurity threat or incident. The incident response plan, among other things, provides for inter-departmental coordination and management of cybersecurity threats or incidents to quickly assess the impact, mitigate risks to information systems, and work to resolve vulnerabilities. Depending on the threat or incident, the company may utilize third-parties under retainer for assistance in investigating and addressing cybersecurity incidents or threats. framework.

Table The company utilizes active monitoring techniques (e.g., penetration testing), designed to leverage multiple sources of Contents threat intelligence and vulnerability scanning complemented by endpoint protection and network systems. The company has a rapid-response protocol designed to investigate system alerts of potential cybersecurity threats, and the company's incident response plan provides a structured approach to inter-departmental assessment, mitigation, and resolution of cybersecurity threats. The company conducts regular tabletop exercises to test and fortify the controls of its cybersecurity incident response program.

The company maintains strategic relationships with third-party cybersecurity experts and coordinates with various law-enforcement partners, each of whom may be engaged to provide additional investigative and remediation support. The company's senior security leadership meets regularly conducts periodic, in-depth reviews with the company's risk-management enterprise risk management team and internal and external auditors to evaluate the effectiveness of the company's cybersecurity systems, controls, and management processes with respect to cybersecurity risks. The company also engages third-party cybersecurity experts to assess its processes and suggest improvements, which are reviewed with the company's executive leadership. processes.

The company also maintains procedures conducts a security assessment for screening potential suppliers and evaluating third-party service providers, prior to granting access to the company's information systems. The company assesses each such prospective supplier's system security in light of the product or service to be provided to the company. The security team analyzes high-value or high-risk third-party suppliers through which includes detailed interviews, questionnaires, and surveys prior to engagement. Additionally, the company reviews third-party suppliers on an cyber-risk scoring. This process extends beyond initial engagement, with ongoing basis post-engagement monitoring to identify any emerging security risks or changes in their security suppliers' risk profile, including the occurrence of cybersecurity events affecting such suppliers. profiles.

The company describes whether and how risks from identified cybersecurity threats have materially affected or are reasonably likely to materially affect the company under the heading "Cybersecurity incidents as well as ransomware may hurt the company's business, damage its reputation, increase its costs, and cause losses," included as part of the company's risk factor disclosures in Item 1A of this Annual Report on Form 10-K. To date, there have the company is not been aware of any cybersecurity threats or incidents that have materially affected, or are reasonably likely to materially affect, the company, including its financial condition, results of operations, or business strategies.

Governance

The Board of Directors of the company (the "Board"), primarily through its Audit Committee, oversees the company's cybersecurity program. The company's Chief Information Officer ("CIO") CIO and Chief Security Officer ("CSO") CSO regularly report to the Audit Committee on the current state of the company's cybersecurity program (including the current threat landscape, cybersecurity risks, and any significant incidents). The Audit Committee may provide updates to the Board on the substance of these reports and any recommendations for improvements enhancements that the Audit Committee deems appropriate.

At the management level, the The CIO and CSO receive regular reports from the company's cybersecurity department, both historical and real-time, about the company's global cybersecurity status. The company believes this approach enables the CIO and CSO to monitor the company's global security status and to identify and assess potential threats. The company has established written policies and procedures to ensure that significant cybersecurity incidents are immediately investigated, addressed through the coordination of various internal departments, and publicly reported (to the extent required by applicable law). The company's security organization assesses the severity and priority of incidents on a rolling basis, with escalations of

Table of Contents

cybersecurity incidents provided to the management team. If management determines a material cybersecurity incident has occurred, is material, the company's policies incident response plan and its disclosure controls and procedures set forth the process for any required disclosures and require management to promptly inform the Board.

Under the direction of the CIO, the CSO is responsible for global cybersecurity and business continuity, which includes security architecture, security operations, incident response, IT risk and compliance, physical security, fraud and security awareness and training. The CSO has over 25 20 years of security experience and maintains holds a degree in IT and cybersecurity, along with maintaining certifications in risk, information security, data privacy, legal investigations, and audit, among other disciplines. The other members of the company's security organization also have extensive cybersecurity, business, and technology experience and all hold certifications in their area of expertise.

Item 2. Properties.

The company has its principal executive offices located in Centennial, Colorado under a lease expiring in 2024. 2032. The company leases eight nine major warehouses and logistics centers with approximately 2.8 million 3.0 million square feet of space located in Reno, Nevada, two three in the Phoenix, Arizona area, Hong Kong, Shenzhen, China, Johor Bahru, Malaysia, Zapopan, Mexico, and Venlo, Netherlands. The company has 31 27 smaller distribution centers with approximately 1.0 million 827.9 thousand square feet of space located throughout the Americas, EMEA, and Asia/Pacific regions. The company believes its facilities are well maintained and suitable for company operations, and does not anticipate significant difficulty in renewing its leases as they expire or securing replacement facilities.

Item 3. Legal Proceedings.

See The information set forth under the heading "Environmental Matters" in Note 15, Contingencies, "Contingencies" in the Notes to the consolidated financial statements included Consolidated Financial Statements in Part II, Item 8 of this 10-K for information regarding certain legal proceedings in which the company is involved. incorporated herein by reference.

Table of Contents

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

The company's common stock is listed on the NYSE (trading symbol: "ARW").

Record Holders

On February 6, 2024 February 4, 2025, there were approximately 1,246 1,211 shareholders of record of the company's common stock.

Table of Contents

Equity Compensation Plan Information

The following table summarizes information, as of December 31, 2023 December 31, 2024, relating to the Omnibus Incentive Plan, which was approved by the company's shareholders and under which cash-based awards, non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance share units, covered employee annual incentive awards, and other stock-based awards may be granted.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance
Equity compensation plans approved by security holders	1,436,332	$ 102.53	5,041,938	1,400,128	$ 101.34	4,437,722
Total	1,436,332	$ 102.53	5,041,938	1,400,128	$ 101.34	4,437,722

Table of Contents

Performance Graph

The following graph compares the performance of the company's common stock for the periods indicated with the performance of the Standard & Poor's MidCap 400 Index ("S&P 400 MidCap Stock Index") Index and the average performance of a group consisting of the company's peer companies ("Peer Group") on a line-of-business basis. During 2023, 2024, the companies included in the Peer Group are Avnet, Inc., CDW Corp., Celestica Inc., Flex Ltd., HP Enterprise Co., HP Inc., Jabil Inc., TD Synnex, and WESCO International, Inc. The graph assumes $100 invested on December 31, 2018 December 31, 2019 in the company, the S&P 400 MidCap Stock Index, and the Peer Group. Total return indices reflect reinvestment of dividends and are weighted on the basis of market capitalization at the time of each reported data point.

Graphic

	2018	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2024
Arrow Electronics	100	123	141	195	152	177	100	115	158	123	144	133
Peer Group	100	130	138	203	182	235	100	106	157	140	181	213
S&P 400 MidCap Stock Index	100	124	139	171	146	167	100	114	142	123	144	164

Table of Contents

Issuer Purchases of Equity Securities

The following table shows the share-repurchase activity for the quarter ended December 31, 2023 December 31, 2024:

Total Number of Shares	Average Price Paid	Total Number of Shares Purchased as Part of Publicly Announced	Approximate Dollar Value of Shares that May Yet be Purchased Under the	Total Number of Shares	Average Price Paid	Total Number of Shares Purchased as Part of Publicly Announced	Approximate Dollar Value of Shares that May Yet be Purchased Under the

(thousands except share and per share data)	Purchased	per Share (a)	Program	Programs (b)	Purchased	per Share (a)	Program	Programs (b)
October 1 through October 28, 2023	—	$ —	—	$ 621,586				
October 29 through November 25, 2023	375,753	119.76	375,753	576,154				
November 26 through December 31, 2023	—	—	—	576,154				
September 29 through October 26, 2024					—	$ —	—	$ 374,557
October 27 through November 23, 2024					—	—	—	374,557
November 24 through December 31, 2024					419,432	119.21	419,432	324,063
Total	375,753		375,753		419,432		419,432	

(a) Average price paid per share excludes 1% excise tax on share repurchases.

(b) On January 31, 2023, the company's Board of Directors approved a $1.0 billion increase to the company's share-repurchase program. The company's share-repurchase program does not have an expiration date. As of December 31, 2023 December 31, 2024, the total authorized dollar value of shares available for repurchase was $2.8 billion $1.6 billion of which $2.2 billion $1.3 billion has been utilized, while the $576.2 million $324.1 million in the table represents the remaining amount available for repurchase under the program.

Item 6. [Reserved].

Table of Contents

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

This section of the Form 10-K generally discusses 2024 and 2023 items and year-to-year comparisons between 2024 and 2023. Discussions of 2022 items and year-to-year comparisons between 2023 and 2022. Discussions of 2021 items and year-to-year comparisons between 2022 and 2021 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023.

Information Relating to Forward-Looking Statements

This report includes “forward-looking statements,” as the term is defined under the federal securities laws. Forward-looking statements are those statements which are not statements of historical fact. These forward-looking statements can be identified by forward-looking words such as “expects,” “anticipates,” “intends,” “plans,” “may,” “will,” “believes,” “seeks,” “estimates,” and similar expressions. These forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which could cause actual results or facts to differ materially from such statements for a variety of reasons, including, but not limited to: the incurrence of additional charges not currently contemplated and failure to realize contemplated cost savings due to unanticipated events that may occur, including in connection with the implementation of the company's restructuring plan; unfavorable economic conditions; disruptions, shortages, or inefficiencies in the supply chain; political instability; instability and changes; impacts of military conflict and sanctions; industry conditions; changes in product supply, pricing and customer demand; trade protection measures, tariffs, and other restrictions, duties, and value-added taxes; competition; other vagaries in the global components and the global enterprise computing solutions (“ECS”) ECS markets; deteriorating economic conditions, including economic recession, inflation, tax rates, foreign currency exchange rates, or the availability of capital; the effects of natural or man-made catastrophic events; changes in relationships with key suppliers; increased profit margin pressure; changes in legal and regulatory matters; non-compliance with certain regulations, such as export, antitrust, and anti-corruption laws; foreign tax and other loss contingencies; breaches of security or privacy of business information; information and information system failures, including related to current or future implementations, integrations and upgrades; outbreaks, epidemics, pandemics, or public health crises; future regulatory trends and the resulting legal and reputation exposure, including but not limited to those relating to environmental, social, governance, cybersecurity, data privacy, and artificial intelligence issues; and the company's ability to generate positive cash flow. For a further discussion of these and other factors that could cause the company's future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in this Annual Report on Form 10-K, as well as in other filings the company makes with the Securities and Exchange Commission. Shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update publicly or revise any of the forward-looking statements.

Certain Non-GAAP Financial Information

In addition to disclosing financial results that are determined in accordance with accounting principles generally accepted in the United States (“GAAP”), GAAP, the company also discloses certain non-GAAP financial information in the sections below captioned “Sales,” “Sales”, “Gross Profit,” Profit”, “Operating Expenses,” Expenses”, “Operating Income,” “Income Tax,” and “Net Income Attributable to Shareholders”. Refer to these sections below for reconciliations of non-GAAP financial measures to the most directly comparable reported GAAP financial measures. Non-GAAP financial information includes the following:

- Non-GAAP sales and non-GAAP gross profit (referred to as “sales on a constant currency basis” and “gross profit on a constant currency basis”) excludes exclude the impact of changes in foreign currencies by retranslating prior period results at current period foreign exchange rates.
- Non-GAAP gross profit excludes inventory write downs related to the wind down of businesses within the global components reportable segment (“impact of wind down to inventory”) and impact of changes in foreign currencies.
- Non-GAAP operating expenses excludes exclude identifiable intangible asset amortization, restructuring, integration, and other, charges, and the impact of changes in foreign currencies.
- Non-GAAP operating income excludes identifiable intangible asset amortization, and restructuring, integration, and other charges. and impact of wind down to inventory.
- Non-GAAP effective tax rate and non-GAAP net income attributable to shareholders exclude identifiable intangible asset amortization, restructuring, integration, and other, charges, impact of wind down to inventory, loss on extinguishment of debt, (loss) gain (loss) on investments, net, and the impact of certain tax legislation changes.

Table of Contents

Management believes that providing this additional information is useful to the reader to better assess and understand the company's operating performance and future prospects in the same manner as management, especially when comparing results with previous periods. Management typically monitors the business as adjusted for these items, in addition to GAAP results, to understand and compare operating results across accounting periods, for internal budgeting purposes, for short-term and long-term operating plans, and to evaluate the company's financial performance. However, analysis of results on a non-GAAP basis should be used as a complement to, and in conjunction with, data presented in accordance with GAAP.

Table of Contents

For a discussion of what is included within “Restructuring, integration, and other charges” other” and “Gain (loss) “(Loss) gain on investments, net” refer to the similarly captioned sections of this item below.

Overview Key Business Metrics

Management uses gross billings as an operational metric to monitor operating performance of its global ECS reportable segment, including sales performance by geographic region, as it provides meaningful supplemental information in evaluating the overall performance of the global ECS business. The company is uses this key metric to develop financial forecasts, make strategic decisions, and prepare and approve annual budgets. Gross billings represent amounts invoiced to customers for goods and services during a global provider period and do not include the impact of products, recording sales on a net basis or sales adjustments, such as trade discounts and other allowances. Refer to Note 1 “Summary of Significant Accounting Policies” to the consolidated financial statements for further discussion of the company’s revenue recognition policies. The use of gross billings has certain limitations as an analytical tool and should not be considered in isolation or as a substitute for revenue.

Overview

Arrow sources and engineers technology for thousands of leading manufacturers, services providers, and solutions to industrial and commercial users of electronic components and enterprise computing solutions. The company has one of the world’s broadest portfolios of product offerings available from leading electronic components and enterprise computing solutions suppliers, coupled suppliers. Coupled with a range of services, solutions, and tools, that the company enables its suppliers to distribute their technologies and help its industrial and commercial customers to source, build, upon, and leverage these technologies, to grow their businesses, reduce their time to market, grow their businesses, and enhance their overall competitiveness. The company is a trusted partner in a complex value chain and is uniquely positioned through its electronics components and IT content portfolios to increase value for stakeholders.

The company has two reportable segments, the global components business reportable segment and the global ECS business. reportable segment. The company’s global components business, reportable segment, enabled by a comprehensive range of value-added capabilities and services, markets, and distributes electronic components to original equipment manufacturers (“OEMs”) OEMs and contract manufacturers (“CMs”). EMS providers. The company’s global ECS business reportable segment is a leading value-added provider of comprehensive computing solutions and services. The global ECS Its portfolio of computing solutions includes datacenter, cloud, security, and analytics solutions. Global ECS brings broad market access, extensive supplier relationships, scale, and resources to help its value-added resellers (“VARs”) VARs and managed service providers (“MSPs”) MSPs meet the needs of their end-users. For 2023, 2024, approximately 77% 72% and 23% 28% of the company’s sales were from the global components business reportable segment and the global ECS business, reportable segment, respectively.

The company’s strategic initiatives include the following:

- Offering a variety of value-added services in the global components business, reportable segment, including demand creation, design, engineering, global marketing and integration services to promote the future sale of suppliers’ products, which generally lead to longer and more profitable relationships with its suppliers and customers.
- Providing global supply chain service offerings such as procurement, logistics, warehousing, and insights from data analytics. analytics within the global components reportable segment.
- Enabling customer cloud solutions through the global ECS business’ reportable segments’ cloud marketplace and management platform, ArrowSphere, which helps VARs and MSPs to manage, differentiate, and scale their cloud businesses while providing the business intelligence that IT solution providers need to drive growth.

The company's long-term financial objectives are to grow sales faster than the market, increase the markets served, grow profits faster than sales, generate earnings per share growth in excess of competitors' earnings per share growth and market

28

Table of Contents

expectations, grow earnings per share at a rate that provides the capital necessary to support the company's business strategy, allocate and deploy capital effectively so that return on invested capital exceeds the company's cost of capital, and increase return on invested capital. To achieve its objectives, the company seeks to capture significant opportunities to grow across products, markets, and geographies. To supplement its organic growth strategy, the company continually evaluates strategic acquisitions to broaden its product and value-added service offerings, increase its market penetration, and expand its geographic reach. The company is also committed to improving operational efficiency.

25

Table of Contents

Executive Summary

(millions except per share data)	2023	2022	Change	2024	2023	Change
Consolidated sales	$ 33,107	$ 37,124	(10.8)%	$27,923	$33,107	(15.7)%
Global components sales	25,420	28,788	(11.7)%	19,983	25,420	(21.4)%
Global ECS sales	7,687	8,336	(7.8)%	7,940	7,687	3.3 %
Gross profit margin	12.5 %	13.0 %	(50)bps	11.8 %	12.5 %	(70)bps
Non-GAAP gross profit margin				12.0 %	12.5 %	(50)bps
Operating income	1,471	2,068	(28.9)%	769	1,471	(47.8)%
Operating income margin	4.4 %	5.6 %	(120)bps	2.8 %	4.4 %	(160)bps
Non-GAAP operating income	1,586	2,117	(25.1)%	1,002	1,586	(36.9)%
Non-GAAP operating income margin	4.8 %	5.7 %	(90)bps	3.6 %	4.8 %	(120)bps
Net income attributable to shareholders	904	1,427	(36.7)%	392	904	(56.6)%
Earnings per share attributable to shareholders - diluted	15.84	21.80	(27.3)%	7.29	15.84	(54.0)%
Non-GAAP net income attributable to shareholders	977	1,465	(33.3)%	568	977	(41.9)%
Non-GAAP earnings per share attributable to shareholders - diluted	$ 17.12	$ 22.38	(23.5)%	$ 10.56	$ 17.12	(38.3)%

Business environment and non-GAAP net income attributable to shareholders included other trends::

- $62.2 million in legal settlements related to claims filed by the company which were recorded as a decrease to operating expenses during 2023. See Note 15, "Contingencies" of the Notes to the Consolidated Financial Statements for further discussion;
- Increases of $37.4 million in charges taken to increase the allowance for credit losses during 2023, when compared to the year-earlier period, primarily due to the aging of receivables of certain customers. See Note 4, "Accounts Receivables" of the Notes to the Consolidated Financial Statements for further discussion.

- During 2023, changes in foreign currencies had a positive impact of $51.8 million on sales.

Business environment and other trends:

- The global components business, along with the global market for electronics components, has historically experienced cyclical downturns, followed by periods of stronger growth in demand. During 2023, 2024, the global components business entered reportable segment continued to experience a cyclical downturn characterized by declining sales due to elevated customer inventory levels, which were largely a result of the normalization of shortages in electronic components markets towards the end of 2022. In addition, and a challenging global macroeconomic environment, in the Asia/Pacific region contributed contributing to lower demand for the company's products. These trends have resulted in higher levels of inventory on the company's balance sheet, decreased sales, and have increased the company's investments in working capital as a percentage of sales. These trends could are likely to continue in 2024 2025 and as inventory levels normalize, the company expects demand to improve, however, the duration and severity of the current downturn are highly remain uncertain. Despite the difficult market environment, 2023 sales remained well above pre-pandemic levels and the company has confidence in the quality of its inventory.
- Customers of Within the company's global ECS business are currently shifting away from traditional, and on-premises solutions, and towards more "as a service" and cloud-based, or hybrid, solutions. The company believes its global ECS business is well positioned to support customers through these transitions; however, these reportable segment, in certain periods, changes in product the mix of sales of IT solutions impact sales as an increased the proportion of the company's company's revenue that is recorded on a net basis compared to a gross basis. These changes increase or decrease sales during a period without a corresponding change in gross profit. This is driven by the company's responsibilities in the sale of various IT solutions, which is based on terms and conditions in place with its partners. Refer to Note 1 "Summary of Significant Accounting Policies" in this Annual Report on Form 10-K.
- On October 31, 2024, the company announced the Operating Expense Efficiency Plan to reduce costs and improve efficiencies. Refer to the consolidated financial statements for further discussion of the company's revenue recognition policies. "Restructuring, Integration, and Other" section below.

Results of Operations

Sales by reportable segment

Following is an analysis of the company's sales by reportable segment for the years ended December 31:

(millions)	2023	2022	Change	2024	2023	Change
Consolidated sales, as reported	$ 33,107	$ 37,124	(10.8)%	$27,923	$33,107	(15.7)%
Impact of changes in foreign currencies	—	52		—	(33)	
Consolidated sales, constant currency	$ 33,107	$ 37,176	(10.9)%	$27,923	$33,074	(15.6)%
Global components sales, as reported	$ 25,420	$ 28,788	(11.7)%	$19,983	$25,420	(21.4)%
Impact of changes in foreign currencies	—	8		—	(35)	
Global components sales, constant currency	$ 25,420	$ 28,796	(11.7)%	$19,983	$25,385	(21.3)%
Global ECS sales, as reported	$ 7,687	$ 8,336	(7.8)%	$ 7,940	$ 7,687	3.3 %
Impact of changes in foreign currencies	—	44		—	2	
Global ECS sales, constant currency	$ 7,687	$ 8,381	(8.3)%	$ 7,940	$ 7,689	3.3 %

The sum of the components for sales, as reported, and sales on a constant currency basis may not agree to totals, as presented, due to rounding.

Reportable segment sales by geographic region

Following is an analysis of the company's reportable segment sales by geographic region for the years ended December 31:

(millions)	2023 Sales	2023 % of Sales	2022 Sales	2022 % of Sales	% Change	2024 Sales	2024 % of Sales	2023 Sales	2023 % of Sales	% Change
Americas components sales	$ 7,955	24.0 %	$ 9,593	25.8 %	(17.1)%	$ 6,412	23.0 %	$ 7,955	24.0 %	(19.4)%
EMEA components sales	8,075	24.4 %	7,628	20.5 %	5.9 %	5,648	20.2 %	8,075	24.4 %	(30.1)%
Asia/Pacific components sales	9,390	28.4 %	11,567	31.2 %	(18.8)%	7,923	28.4 %	9,390	28.4 %	(15.6)%
Global components sales	$ 25,420	76.8 %	$ 28,788	77.5 %	(11.7)%	$19,983	71.6 %	$25,420	76.8 %	(21.4)%
Americas ECS sales	$ 4,160	12.6 %	$ 4,847	13.1 %	(14.2)%	$ 4,067	14.6 %	$ 4,160	12.6 %	(2.2)%
EMEA ECS sales	3,527	10.6 %	3,489	9.4 %	1.1 %	3,873	13.8 %	3,527	10.6 %	9.8 %
Global ECS sales	$ 7,687	23.2 %	$ 8,336	22.5 %	(7.8)%	$ 7,940	28.4 %	$ 7,687	23.2 %	3.3 %
Consolidated sales	$ 33,107	100.0 %	$ 37,124	100.0 %	(10.8)%	$27,923	100.0 %	$33,107	100.0 %	(15.7)%

The sum of the components for sales by geographic region and consolidated sales may not agree to totals, as presented, due to rounding.

During 2023, 2024, the global components reportable segment continued to experience a cyclical downturn characterized by elevated customer inventory levels, and a challenging global macroeconomic environment, contributing to lower demand for the company's products. The decrease in sales decreased compared to the year-earlier period was primarily due to the following impacts:

- sales declined in the Americas region primarily due to decreases in shortage market activity; the industrial, networking and communications verticals;
- sales declined in the EMEA region primarily due to decreased demand for industrial and transportation verticals;
- sales declined in the Asia/Pacific region primarily due to softer demand across most verticals;
- partially offset by growth in the EMEA region for the first three quarters of 2023 across most major verticals, with the fourth quarter results declining relative to the prior year. verticals.

Table of Contents

During 2023, 2024, the global ECS reportable segment sales decreased increased compared to the year-earlier period primarily due to the following impacts:

- growth in the EMEA region primarily due to healthy demand for infrastructure applications, hybrid-cloud solutions, and AI related solutions;
- partially offset by decreased sales declined in the Americas region primarily due to a softer IT spending market environment, resulting in a decrease in lower demand particularly for storage and security as well as continued efforts by the company to reshape its Americas ECS business for greater mid-market scale and compute;
- sales increased in the EMEA region primarily due to strong demand, largely offset by a shift in sales mix towards products such as software-as-a-service more infrastructure software and cloud where more sales are recorded on adoption, as the company continues to adopt a net basis. Demand was

Table of Contents

strong go-to-market model in this region that better approximates the company's selling motion in EMEA for data intelligence, cyber-security solutions and other software, and cloud-based solutions enabled by the company's ArrowSphere platform. ECS.

Substantially all of the company's sales are made on an order-by-order basis, rather than through long-term sales contracts. As such, the nature of the company's business does not provide for the visibility of material forward-looking information from its customers and suppliers beyond a few months.

Gross Billings

The following table summarizes gross billings by geographic region for the global ECS reportable segment for the years ended December 31:

(millions)	2024	2023	2022
Americas ECS gross billings	$ 10,323	$ 10,542	$ 11,198
EMEA ECS gross billings	9,205	8,474	7,779
Global ECS gross billings	$ 19,528	$ 19,016	$ 18,976

The sum of the components for global ECS gross billings may not agree to totals, as presented, due to rounding.

Gross Profit

Following is an analysis of the company's consolidated gross profit for the years ended December 31:

(millions)	2023	2022	Change
Consolidated gross profit, as reported	$ 4,149	$ 4,837	(14.2)%
Impact of changes in foreign currencies	—	8	
Consolidated gross profit, constant currency	$ 4,149	$ 4,844	(14.4)%
Consolidated gross profit as a percentage of sales, as reported	12.5 %	13.0 %	(50)bps
Consolidated gross profit as a percentage of sales, constant currency	12.5 %	13.0 %	(50)bps

(millions)	2024	2023	Change
Consolidated gross profit, as reported	$ 3,292	$ 4,149	(20.6)%
Impact of wind down to inventory	61	—	
Impact of changes in foreign currencies	—	(9)	
Non-GAAP consolidated gross profit	$ 3,353	$ 4,140	(19.0)%
Consolidated gross profit as a percentage of sales, as reported	11.8 %	12.5 %	(70)bps
Non-GAAP consolidated gross profit as a percentage of sales	12.0 %	12.5 %	(50)bps
Global components gross profit, as reported	$ 2,332	$ 3,199	(27.1)%
Impact of wind down to inventory	61	—	
Impact of changes in foreign currencies	—	(8)	
Non-GAAP global components gross profit	$ 2,393	$ 3,191	(25.0)%
Global components gross profit as a percentage of sales, as reported	11.7 %	12.6 %	(90)bps
Non-GAAP global components gross profit as a percentage of sales	12.0 %	12.6 %	(60)bps
Global ECS gross profit, as reported	$ 960	$ 950	1.1 %
Impact of changes in foreign currencies	—	(1)	
Non-GAAP global ECS gross profit	$ 960	$ 949	1.2 %
Global ECS gross profit as a percentage of sales, as reported	12.1 %	12.4 %	(30)bps
Non-GAAP global ECS gross profit as a percentage of sales	12.1 %	12.3 %	(20)bps

The sum of the components for non-GAAP gross profit on a constant currency basis may not agree to totals, as presented, due to rounding.

The decrease

Global components gross profit margins decreased during 2024, compared with the year-earlier period, due to the inventory write downs related to the wind down of non-core businesses, product mix shifting toward lower margin

Table of Contents

products, and regional mix shifting more towards the Asia/Pacific region. Global components supply chain services offerings continued to have a positive impact on gross margins.

Global ECS gross profit margins decreased during 2024, compared with the year-earlier period, due to softer margins in the Americas region as the company works to optimize the customer mix and supplier line card to better serve the mid-market, and a shift in sales mix towards more sales recognized on a gross basis in both the Americas and EMEA regions, relative to 2023. Refer to Note 1 “Summary of Significant Accounting Policies” in this Annual Report on Form 10-K.

Following is an analysis of the company’s consolidated gross profit for the years ended December 31:

(millions)	2023	2022	Change
Consolidated gross profit, as reported	$ 4,149	$ 4,837	(14.2)%
Impact of changes in foreign currencies	—	8	
Non-GAAP consolidated gross profit	$ 4,149	$ 4,844	(14.4)%
Consolidated gross profit as a percentage of sales, as reported	12.5 %	13.0 %	(50)bps
Non-GAAP consolidated gross profit as a percentage of sales	12.5 %	13.0 %	(50)bps
Global components gross profit, as reported	$ 3,199	$ 3,905	(18.1)%
Non-GAAP global components gross profit	$ 3,199	$ 3,905	(18.1)%
Global components gross profit as a percentage of sales, as reported	12.6 %	13.6 %	(100)bps
Non-GAAP global components gross profit as a percentage of sales	12.6 %	13.6 %	(100)bps
Global ECS gross profit, as reported	$ 950	$ 932	2.0 %
Impact of changes in foreign currencies	—	8	
Non-GAAP global ECS gross profit	$ 950	$ 939	1.1 %
Global ECS gross profit as a percentage of sales, as reported	12.4 %	11.2 %	120 bps
Non-GAAP global ECS gross profit as a percentage of sales	12.4 %	11.2 %	120 bps

The sum of the components for non-GAAP gross profit may not agree to totals, as presented, due to rounding.

Global components gross profit margins decreased during 2023, related compared with the year-earlier period, due to declines in sales shortage market activity in the Americas region and product mix shifting toward lower margin products within the Asia/Pacific region. Global components supply chain services offerings continued to have a positive impact on gross margins.

Global ECS gross profit margins for increased during 2023, compared with the global components business, partially offset by increases year-earlier period, due to product mix shifting towards a higher proportion of revenue recognized on a net basis. Refer to Note 1 “Summary of Significant Accounting Policies” in gross profit margins from the global ECS business. this Annual Report on Form 10-K.

- The decrease in global components gross profit margins during 2023, compared with the year-earlier period, related primarily to declines in shortage market activity in the Americas region and product mix shifting toward lower margin products within the Asia/Pacific region. Global components supply chain services offerings continued to have a positive impact on gross margins.
- The increase in global ECS gross profit margins during 2023, compared with the year-earlier period, related primarily to product mix shifting towards a higher proportion of revenue recognized on a net basis in the current year.

Table of Contents

Operating Expenses

Following is an analysis of the company's consolidated operating expenses for the years ended December 31:

(millions)	2023	2022	Change
Operating expenses, as reported	$ 2,678	$ 2,768	(3.3)%
Identifiable intangible asset amortization	(31)	(35)	
Restructuring, integration, and other charges	(84)	(14)	
Impact of changes in foreign currencies	—	6	
Non-GAAP operating expenses	$ 2,563	$ 2,726	(6.0)%
Operating expenses as a percentage of sales	8.1 %	7.5 %	60 bps
Non-GAAP operating expenses as a percentage of non-GAAP sales	7.7 %	7.3 %	40 bps

(millions)	2024	2023	Change
Consolidated operating expenses, as reported	$ 2,524	$ 2,678	(5.8)%
Identifiable intangible asset amortization	(30)	(31)	
Restructuring, integration, and other	(143)	(84)	
Impact of changes in foreign currencies	—	(3)	
Non-GAAP consolidated operating expenses	$ 2,351	$ 2,560	(8.2)%
Consolidated operating expenses as a percentage of sales, as reported	9.0 %	8.1 %	90 bps
Non-GAAP consolidated operating expenses as a percentage of sales	8.4 %	7.7 %	70 bps
Global components operating expenses, as reported	$ 1,591	$ 1,740	(8.6)%
Identifiable intangible asset amortization	(26)	(27)	
Impact of changes in foreign currencies	—	(4)	
Non-GAAP global components operating expenses	$ 1,566	$ 1,710	(8.4)%
Global components operating expenses as a percentage of sales	8.0 %	6.8 %	120 bps
Non-GAAP global components operating expenses as a percentage of sales	7.8 %	6.7 %	110 bps
Global ECS operating expenses, as reported	$ 550	$ 583	(5.7)%
Identifiable intangible asset amortization	(4)	(5)	
Impact of changes in foreign currencies	—	1	
Non-GAAP global ECS operating expenses	$ 546	$ 580	(5.8)%
Global ECS operating expenses as a percentage of sales	6.9 %	7.6 %	(70)bps
Non-GAAP global ECS operating expenses as a percentage of sales	6.9 %	7.5 %	(60)bps
Corporate operating expenses, as reported	$ 383	$ 355	7.8 %
Restructuring, integration, and other	(143)	(84)	
Non-GAAP corporate operating expenses	$ 240	$ 271	(11.5)%

The sum of the components for non-GAAP of consolidated operating expenses may not agree to totals, as presented, due to rounding.

The declines in Global components operating expenses for 2023, relative to the year-earlier periods, were primarily related to lower variable costs, in line with the decrease in sales discussed above, and $62.2 million in settlement funds received in connection with certain legal matters, which were recorded as a reduction of operating expenses. The decreases for 2023 were partially offset by increases in charges taken for the allowance for credit losses of $37.4 million relative decreased during 2024 compared to the year-earlier period primarily due to an increase in the reserves associated with a limited number of customers. Additionally, restructuring, integration, and other charges increased $70.2 million (see discussion below). Refer to Note 15, “Contingencies” of the Notes following:

- a decrease of $123.2 million in employee-related costs primarily due to cost reduction initiatives and lower sales incentives;
- a decrease of $25.4 million in charges taken for allowance for credit losses; partially offset by;
- an increase of $62.2 million due to legal settlement benefits recognized in connection with certain legal matters in 2023 with no similar items recorded in 2024.

Global ECS operating expenses decreased during 2024 compared to the Consolidated Financial Statements, for discussion of year-earlier period primarily due to the legal settlement funds received. following:

- a decrease of $45.8 million in charges taken for allowance for credit losses. This decrease relates to 2023 charges of $25.4 million related to one customer, of which $20.0 million was subsequently reversed upon recovery during 2024.

Corporate operating expenses increased during 2024 compared to the year-earlier period primarily due to the following:

- an increase of $59.0 million due to higher restructuring, integration and other charges (see discussion below).

Table of Contents

Following is an analysis of the company’s consolidated operating expenses for the years ended December 31:

(millions)	2023	2022	Change
Consolidated operating expenses, as reported	$ 2,678	$ 2,768	(3.3)%
Identifiable intangible asset amortization	(31)	(35)	
Restructuring, integration, and other	(84)	(14)	
Impact of changes in foreign currencies	—	6	
Non-GAAP consolidated operating expenses	$ 2,563	$ 2,726	(6.0)%
Consolidated operating expenses as a percentage of sales, as reported	8.1 %	7.5 %	60 bps
Non-GAAP consolidated operating expenses as a percentage of sales	7.7 %	7.3 %	40 bps
Global components operating expenses, as reported	$ 1,740	$ 1,944	(10.5)%
Identifiable intangible asset amortization	(27)	(27)	
Impact of changes in foreign currencies	—	2	
Non-GAAP global components operating expenses	$ 1,713	$ 1,919	(10.7)%
Global components operating expenses as a percentage of sales	6.8 %	6.8 %	10 bps
Non-GAAP global components operating expenses as a percentage of sales	6.7 %	6.7 %	— bps
Global ECS operating expenses, as reported	$ 583	$ 523	11.4 %
Identifiable intangible asset amortization	(5)	(8)	
Impact of changes in foreign currencies	—	4	
Non-GAAP global ECS operating expenses	$ 578	$ 520	11.3 %
Global ECS operating expenses as a percentage of sales	7.6 %	6.3 %	130 bps
Non-GAAP global ECS operating expenses as a percentage of sales	7.5 %	6.2 %	130 bps
Corporate operating expenses, as reported	$ 355	$ 301	17.9 %
Restructuring, integration, and other	(84)	(14)	
Non-GAAP corporate operating expenses	$ 271	$ 287	(5.6)%

The sum of the components of consolidated operating expenses may not agree to totals, as presented, due to rounding.

Global components operating expenses decreased during 2023 compared to the year-earlier period primarily due to the following:

- a decrease of $125.6 million in employee-related costs primarily due to cost reduction initiatives and lower sales incentives; and
- a decrease of $62.2 million due to legal settlement benefits recognized in connection with certain legal matters in 2023.

Global ECS operating expenses increased during 2023 compared to the year-earlier period primarily due to the following:

- an increase of $25.4 million in charges taken for allowance for credit losses related to one customer; and
- an increase of $32.0 million in employee-related costs.

Corporate operating expenses increased during 2023 compared to the year-earlier period primarily due to the following:

- an increase of $70.2 million due to higher restructuring, integration and other charges related to cost reduction initiatives.

Table of Contents

Restructuring, Integration, and Other Charges

Restructuring initiatives and integration costs are due to the company's continued efforts to lower costs, drive operational efficiency, integrate acquired businesses, and consolidate certain operations, as necessary. The following table presents the components of the restructuring, integration, and other charges for the years ended December 31:

(millions)	**2023**	**2022**		**2024**	**2023**
Restructuring and integration charges	$ 9	$ 7			
Restructuring, integration and related costs					
Operating Expense Efficiency Plan costs (a)				$ 10	$ —
Other plans				4	9
Other expenses					
Operating expense reduction costs not related to restructuring initiatives (b)			Operating expense reduction costs not related to restructuring initiatives (b)	85	19
Increases to environmental remediation liabilities (c)				1	23
Early lease termination costs				7	29
Consulting costs (d)				25	—
Other charges	75	7		11	3
	$ 84	$ 14			
Total				$143	$ 84

For 2023, The sum of the components for restructuring, integration, and other may not agree to totals, as presented, due to rounding.

(a) See details related to the Operating Expense Efficiency Plan discussed below.

(b) These costs are primarily related to the termination of personnel. As of December 31, 2024, the accrued liabilities related to these costs totaled $6.6 million and substantially all accrued amounts are expected to be spent in cash within one year.

(c) Refer to Note 15, "Contingencies" of the Notes to the Consolidated Financial Statements for further discussion of environmental liabilities.

(d) Consulting costs are related to operating expense reduction costs not related to the restructuring initiative.

Operating Expense Efficiency Plan

On October 31, 2024, in response to evolving business needs and as part of an initiative to optimize operating expenses, the company announced a multi-year restructuring plan (the "Operating Expense Efficiency Plan" or "the Plan"). The Plan is designed to improve operational efficiency through the following measures: (i) reorganizing and consolidating certain areas of the company's operations to centralize functions and streamline resources, with a focus on more cost-efficient regions; (ii) enhancing warehouse and logistics operations; (iii) investing in information technology to support automation and process improvements; (iv) consolidating the company's global real estate footprint; (v) reducing third-party spending; and (vi) winding down certain non-core businesses that are not aligned with the company's strategic objectives. The company expects to substantially complete the Plan by the end of fiscal year 2026, subject to, among other things, local legal and consultation requirements.

Under the Plan, the company expects to incur pre-tax restructuring charges include $29.4 million of approximately $185.0 million, consisting of approximately $110.0 million of employee severance and other personnel cash expenditures; approximately $50.0 million of non-cash asset impairments, accelerated depreciation and inventory write-downs related to early lease terminations, $23.3 million the wind-down of certain business operations; and approximately $25.0 million of other related cash expenditures.

As a result of the Plan, the company expects to reduce annual operating expenses by approximately $90.0 million to $100.0 million by the end of fiscal year 2026. The estimates of charges or savings related to an increase in environmental liabilities, and personnel the Plan could differ materially from actual charges of $19.1 million related to operating expense reduction initiatives. or savings recognized.

Refer to Note 9, "Restructuring, Integration, and Other Charges" and Note 15, "Contingencies" Other" of the Notes to the Consolidated Financial Statements for further discussion of the company's restructuring and integration activities.

Operating Income

Following is an analysis of the company's consolidated operating income, and operating income for the company's two reportable segments for the years ended December 31:

(millions)	2023	2022	Change	2024	2023	Change
Consolidated operating income, as reported	$ 1,471	$ 2,068	(28.9)%	$ 769	$1,471	(47.8)%
Identifiable intangible asset amortization	31	35		30	31	
Restructuring, integration, and other charges	84	14				
Restructuring, integration, and other				143	84	
Impact of wind down to inventory				61	—	
Non-GAAP consolidated operating income	$ 1,586	$ 2,117	(25.1)%	$1,002	$1,586	(36.9)%
Consolidated operating income as a percentage of sales, as reported	4.4 %	5.6 %	(120)bps	2.8 %	4.4 %	(160)bps
Non-GAAP consolidated operating income, as a percentage of sales	4.8 %	5.7 %	(90)bps	3.6 %	4.8 %	(120)bps
Global components operating income, as reported	$ 1,459	$ 1,961	(25.6)%	$ 741	$1,459	(49.2)%
Identifiable intangible asset amortization	27	27		25	27	
Impact of wind down to inventory				61	—	
Non-GAAP global components operating income	$ 1,486	$ 1,988	(25.3)%	$ 827	$1,486	(44.3)%
Global components operating income as a percentage of sales	5.7 %	6.8 %	(110) bps	3.7 %	5.7 %	(200) bps
Non-GAAP global components operating income as a percentage of sales	5.8 %	6.9 %	(110) bps	4.1 %	5.8 %	(170) bps
Global ECS operating income, as reported	$ 367	$ 409	(10.2)%	$ 410	$ 367	11.7 %
Identifiable intangible asset amortization	5	8		4	5	
Non-GAAP global ECS operating income	$ 372	$ 417	(10.7)%	$ 414	$ 372	11.4 %
Global ECS operating income as a percentage of sales	4.8 %	4.9 %	(10) bps	5.2 %	4.8 %	40 bps
Non-GAAP global ECS operating income as a percentage of sales	4.8 %	5.0 %	(20) bps	5.2 %	4.8 %	40 bps

The sum of the components of consolidated operating income do not agree to totals, as presented, because operating income for the unallocated corporate segment is amounts are not included in the table above. Refer to Note 16 "Segment and Geographic Information" of the Notes to the Consolidated Financial Statements for further discussion.

The decrease in consolidated operating income as a percentage of sales for 2023 during 2024 relates primarily to the decline changes in sales, and gross profit margins discussed above, and was offset partially by the decrease in operating expenses discussed above.

- The decrease in global components operating income for 2023 relates primarily to the decline in sales and gross margins discussed above. The decreases were offset partially by lower variable costs, in line with the decrease in sales discussed above and $62.2 million in legal settlements recorded as a decrease to operating expense.
- The decrease in global ECS operating income for 2023 relates primarily to lower sales and increases in charges taken for the allowance for credit losses of $24.0 million, partially offset by increase in gross profit margins.

Table of Contents

(Loss) Gain (Loss) on Investments, Net

(millions)	2023	2022	2024	2023
Gain (loss) on investments, net	$ 19	$ (3)		
(Loss) gain on investments, net			$ (5)	$ 19

Gains and losses (Loss) gain on investments, are net is primarily related to the changes in fair value of assets related to the Arrow supplemental executive retirement plan (“SERP”) SERP pension plan, which consists consist primarily of life insurance policies and mutual fund assets, as well as changes in the fair value of the company’s investment in Marubun Corporation, refer to Note 7 “Financial Instruments Measured at Fair Value”. of the Notes to the Consolidated Financial Statements.

Interest and Other Financing Expense, Net

(millions)	2023	2022
Interest and other financing expense, net	$ (329)	$ (186)

The increase company recorded net interest and other financing expense as follows:

(millions)	2024	2023
Interest and other financing expense, net	$ (270)	$ (329)

The decreases in interest and other financing expenses, net for 2023 2024 primarily relates related to higher lower interest rates on outstanding and lower average daily borrowings and on floating rate credit facilities. Refer to the section below titled “Liquidity and Capital Resources” for more information on changes in borrowings.

Table of Contents

Income Tax

The company records a provision for income taxes for the anticipated tax consequences of the reported financial results of operations using the asset and liability method. The following table presents the company's effective income tax rate deviation from the and non-GAAP effective tax rate for the years ended December 31:

	2023	2022	2024	2023
Effective income tax rate, as reported	21.9 %	23.8 %		

Effective income tax rate			19.6 %	21.9 %
Identifiable intangible asset amortization	0.1	0.1	0.3	0.1
Restructuring, integration, and other charges	0.1	—		
Restructuring, integration, and other			1.2	0.1
Impact of wind down to inventory			0.7	—
Impact of tax legislation changes	(0.1)	—	—	(0.1)
Non-GAAP effective income tax rate	22.0 %	23.8 %	21.8 %	22.0 %

The sum of the components for non-GAAP effective income tax rate may not agree to totals, as presented, due to rounding.

The company's effective tax rate deviates from the statutory U.S. federal income tax rate mainly predominantly due to the mix variety of foreign taxing jurisdictions in which the company where it operates, and where its foreign subsidiaries generate taxable income, among other things. income. The change fluctuation in the effective tax rate for 2023, 2024, compared to the year-earlier period, previous year, is primarily due mainly attributed to changes in uncertain tax positions, including favorable tax audit settlements. Additionally, the utilization mix of tax credits, foreign exchange losses, valuation allowances, jurisdictions where income was generated was influenced by higher restructuring, integration, and liabilities for uncertain tax positions. other charges, as well as inventory write-downs taken during 2024.

Net Income Attributable to Shareholders

Following is an analysis of the company's consolidated net income attributable to shareholders for the years ended December 31:

(millions)	2023	2022	2024	2023
Net income attributable to shareholders, as reported	$ 904	$ 1,427	$392	$904
Identifiable intangible asset amortization (a)	30	34		
Restructuring, integration, and other charges	84	14		
(Gain) loss on investments, net	(19)	3		
Identifiable intangible asset amortization *			29	30
Restructuring, integration, and other			143	84
Loss (gain) on investment			5	(19)
Impact of wind down to inventory			61	—
Loss on extinguishment of debt			2	—
Tax effect of adjustments above	(23)	(13)	(63)	(23)
Impact of tax legislation changes	1	—	—	1
Non-GAAP net income attributable to shareholders	$ 977	$ 1,465	$568	$977

(a) Identifiable intangible asset amortization also excludes amortization related to the noncontrolling interest.

The sum of the components for non-GAAP net income attributable to shareholders may not agree to totals, as presented, due to rounding.

* Identifiable intangible asset amortization excludes amortization attributable to the noncontrolling interest.

The decrease in net income attributable to shareholders in 2023 2024 compared to the year-earlier period relates primarily to the changes in sales, gross margins, operating expenses, interest and interest expense other financing expenses, net, and income tax as discussed above.

Table of Contents

Liquidity and Capital Resources

Management believes that the company's current cash availability, its current borrowing capacity under its revolving credit facility and asset securitization programs, and its expected ability to generate future operating cash flows are sufficient to meet its projected cash flow needs for the next 12 months and the foreseeable future. The company's committed and undrawn liquidity stands at over $2.2 $2.8 billion in addition to $218.1

million $188.8 million of cash on hand at December 31, 2023 December 31, 2024. The company also may issue debt or equity securities in the future and management believes the company will have adequate access to the capital markets, if needed. The company continually evaluates its liquidity requirements and would seek to amend its existing borrowing capacity or access the financial markets as deemed necessary.

The company’s principal sources of liquidity are existing cash and cash equivalents, cash generated from operations and cash provided by its revolving credit facilities and debt. The company’s principal uses of liquidity include cash used in

Table of Contents

operations, investments to grow working capital, scheduled interest and principal payments on its borrowings, and the return of cash to shareholders through share repurchases.

The following table presents selected financial information related to liquidity at December 31:

(millions)	**2023**	**2022**	**Change**	**2024**	**2023**	**Change**
Working capital	$ 7,355	$ 7,182	$ 173	$6,693	$7,355	$ (662)
Cash and cash equivalents	218	177	41	189	218	(29)
Short-term debt	1,654	590	1,064	350	1,654	(1,304)
Long-term debt	2,154	3,183	(1,029)	2,774	2,154	620

Working Capital

The company maintains a significant investment in working capital which the company defines as accounts receivable, net, plus inventories less accounts payable.

Working capital, as a percentage of sales, which is defined as working capital divided by annualized quarterly sales, increased decreased to 23.0% at December 31, 2024 compared to 23.4% at December 31, 2023 compared to 19.3% at December 31, 2022. The increase decrease was primarily due to lower sales while inventory only declined by 2.5% (see discussion in the Business environment and other trends section above). inventory. Sales for the fourth quarter of 2024 and 2023 were $7.3 billion and 2022 were $7.8 billion and $9.3 billion, respectively.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments, which are readily convertible into cash, with original maturities of three months or less. At December 31, 2023 December 31, 2024 and 2022, 2023, the company had cash and cash equivalents of $218.1 million $188.8 million and $176.9 million $218.1 million, respectively, of which $160.0 million $164.0 million and $160.8 million $160.0 million, respectively, were held outside the United States.

The As of December 31, 2024, the company has $4.8 $5.4 billion of undistributed earnings of its foreign subsidiaries which it deems indefinitely reinvested, and recognizes that it may be subject to additional foreign taxes and U.S. state income taxes, if it reverses its indefinite reinvestment assertion on these foreign earnings. The company has $2.1 $2.0 billion of foreign earnings that are not deemed permanently reinvested and are available for distribution in future periods as of December 31, 2023 December 31, 2024.

Table of Contents

Revolving Credit Facilities and Debt

The following table summarizes the company's credit facilities by category at December 31:

(millions)	Borrowing capacity	Outstanding borrowings 2023	Outstanding borrowings 2022	Borrowing capacity	Outstanding borrowings 2024	Outstanding borrowings 2023
North American asset securitization program	$ 1,500	$ 198	$ 1,235	$ 1,500	$ 633	$ 198
Revolving credit facility	2,000	—	—	2,000	30	—
Commercial paper program (a)	1,200	1,122	173	1,200	—	1,122
Uncommitted lines of credit	500	—	78	500	—	—

(a) Amounts outstanding under the commercial paper program are backstopped by available commitments under the company's revolving credit facility.

(millions)	Average Daily Balance Outstanding Year Ended December 31, 2023	Average Daily Balance Outstanding Year Ended December 31, 2022	Effective Interest Rate December 31, 2023	Effective Interest Rate December 31, 2022	Average Daily Balance Outstanding Year Ended December 31, 2024	Average Daily Balance Outstanding Year Ended December 31, 2023	Effective Interest Rate December 31, 2024	Effective Interest Rate December 31. 2023
North American asset securitization program	$ 1,092	$ 1,004	5.85 %	4.86 %	$ 567	$ 1,092	4.83 %	5.85
Revolving credit facility	131	182	6.42 %	4.79 %	3	131	5.48 %	6.42
Commercial paper program	774	498	5.90 %	5.15 %	435	774	5.21 %	5.90
Uncommitted lines of credit	178	7	5.83 %	5.22 %	280	178	5.18 %	5.83

Table of Contents

The company also has an EMEA asset securitization program under which it continuously sells its interest in designated pools of trade accounts receivables receivable of certain of its subsidiaries in the EMEA region. Receivables sold under the program are excluded from "Accounts receivable, net" and no corresponding liability is recorded on the company's consolidated balance sheets. During 2023 2024 and 2022, 2023, the average daily balance outstanding under the EMEA asset securitization program was $394.8 million and $626.4 million, respectively. During November 2024, the company amended the program to extend the maturity and $472.7 million, respectively. correct an administrative error and regain compliance with certain operational covenants. Refer to Note 4 "Accounts Receivable" of the Notes to the Consolidated Financial Statements for further discussion.

The following table summarizes recent events impacting the company's capital resources:

(millions)	Activity	Date	Notional amount
Uncommitted lines of credit	Increase in Capacity	May 2023	$ 300
4.50% notes, due March 2023	Repaid	March 2023	$ 300
6.125% notes, due March 2026 (a)	Issued	March 2023	$ 500
3.50% notes, due April 2022	Repaid	February 2022	$ 350
North American asset securitization program	Increase in Capacity	September 2022	$ 250

EMEA asset securitization program	Increase in Capacity	September 2022	€	200

(a) Upon issuance of the 6.125% notes due March 2026, the company entered into an interest rate swap, which effectively converts the 6.125% notes to floating rate notes based on SOFR + 0.508%, or an effective interest rate of 5.87%.

(millions)	Activity	Date	Notional amount	
3.25% notes, due September 2024	Repaid	September 2024	$	500
5.15% notes, due August 2029	Issued	August 2024	$	500
5.875% notes, due April 2034	Issued	April 2024	$	500
6.125% notes, due March 2026	Repaid	April 2024	$	500
Uncommitted lines of credit	Increase in Capacity	May 2023	$	300
4.50% notes, due March 2023	Repaid	March 2023	$	300
6.125% notes, due March 2026	Issued	March 2023	$	500

Refer to Note 6, "Debt" of the Notes to the Consolidated Financial Statements for further discussion of the company's short-term and long-term debt and available financing.

Cash Flows

The following table summarizes the company's cash flows by category for the periods presented:

(millions)	2023	2022	Change
Net cash provided by (used for) operating activities	$ 705	$ (33)	$ 738
Net cash used for investing activities	(72)	(58)	(14)
Net cash (used for) provided by financing activities	(666)	110	(776)

(millions)	2024	2023	Change
Net cash provided by operating activities	$ 1,130	$ 705	$ 425
Net cash used for investing activities	(94)	(72)	(22)
Net cash used for financing activities	(957)	(666)	(291)

Table of Contents

Cash Flows from Operating Activities

The net amount of cash provided by the company's operating activities during 2024 and 2023 was $705.4 million $1.1 billion and the net amount of cash used for the company's operating activities during 2022 was $33.1 million. $705.4 million, respectively. The change in cash provided by operating activities during 2023, 2024, compared to the year-earlier period, related relates primarily to the company's historical counter-cyclical cash flow as the company generates cash flow in periods of decreased demand growth due to lower investment in working capital. capital primarily due to lower inventory.

Cash Flows from Investing Activities

The net amount of cash used for investing activities during 2024 and 2023 was $94.4 million and 2022 was $72.3 million and $57.7 million, respectively. The change in cash used for investing activities related primarily to proceeds from the settlement of the net investment hedge amounts paid for businesses acquired in 2023 offset by the proceeds from collections of notes receivable during 2022. 2024.

Cash Flows from Financing Activities

The net amount of cash used for financing activities was $956.8 million during 2023 was 2024 compared to $666.2 million and the net amount of cash provided by used for financing activities in 2022 was $109.8 million. 2023. The change in cash flows from used for financing activities was primarily due to debt levels remaining consistent during 2023, while debt increased $1.1 billion during 2022 in order to support growth. These changes were higher redemption of notes partially offset by lower share repurchases in 2023. 2024.

Capital Expenditures

Capital expenditures were $92.7 million and $83.3 million in 2024 and $78.8 million in 2023, and 2022, respectively. The company expects capital expenditures to be approximately $90.0 million $100.0 million for fiscal year 2024. 2025.

Table of Contents

Share-Repurchase Program

The company repurchased 2.0 million shares of common stock for $250.0 million and 6.1 million shares of common stock for $745.9 million in 2024 and 9.3 million shares of common stock for $1.0 billion in 2023, and 2022, respectively, under the its share-repurchase program, excluding excise taxes. During 2023, the company accrued $6.6 million of excise tax, which is recorded within "Treasury stock" on the company's consolidated balance sheets and reduces the share-repurchase authorization. On January 31, 2023, the company's Board of Directors approved a $1.0 billion increase to the company's share-repurchase program. As of December 31, 2023 December 31, 2024, approximately $576.2 million $324.1 million remained available for repurchase. repurchase under the share-repurchase program. The share-repurchase authorization does not have an expiration date and the pace of the repurchase activity will depend on factors such as the company's working capital needs, cash requirements for acquisitions, debt repayment obligations or repurchases of debt, share price, and economic and market conditions. The share-repurchase program may be accelerated, suspended, delayed, or discontinued at any time subject to the approval of the company's Board of Directors.

Contractual Obligations

The company has contractual obligations for short-term and long-term debt, interest on short-term and long-term debt, purchase obligations, and operating leases.

- At December 31, 2023 December 31, 2024, the company had $3.8 billion $3.1 billion of total debt outstanding, $1.7 billion $350.0 million of which matures in the next twelve months. The remaining debt has maturity dates in 2025 2026 through 2032. 2034. During March 2023, April 2024, the company repaid $300.0 million $500.0 million principal amount of its 4.50% 6.125% notes due March 2023. 2026. During September 2024, the company repaid $500.0 million principal amount of its 3.25% notes which were redeemed at maturity. Refer to Note 6. 6, "Debt" of the Notes to the Consolidated Financial Statements for further discussion of the company's short-term and long-term debt and available financing.
- Amounts related to total interest on long-term debt at December 31, 2023 December 31, 2024 totaled $338.0 million $598.4 million, with $107.9 million $110.5 million expected to be paid within the next 12 months. Refer to Note 6. 6, "Debt" of the Notes to the Consolidated Financial Statements for further discussion of the company's interest on short-term and long-term debt and available financing.
- Purchase obligations of $7.4 billion $8.3 billion represent an estimate of non-cancellable inventory purchase orders, future payments under IT distribution arrangements, and other contractual obligations related to information technology and facilities as of December 31, 2023 December 31, 2024 with $5.9 billion $5.7 billion expected to be paid within the next 12 months, $1.2 billion in 2026, $642.2 million in 2027, and $1.1 billion $487.2 million in 2025.

Table of Contents

- Non-cancellable inventory purchase orders have decreased in comparison with 2028. In January 2025, the year-earlier period, primarily due to reductions in lead times, normalization of shortage market activities, and a decline in demand. Additionally, limitations on cancelation terms with many vendors have normalized. Many of the company's company entered into new multi-year distribution agreements which increased its non-cancellable purchase orders are backed obligations by customer purchase orders $2.8 billion with Arrow, that are also non-cancellable. payments of $288.7 million in 2025, $495.7 million in 2026, $563.0 million in 2027, $598.6 million in 2028, $639.1 million in 2029, and $228.2 million in 2030.
- Amounts related to future lease payments for operating lease obligations at December 31, 2023 December 31, 2024 totaled $320.8 million $301.0 million, with $83.6 million $77.6 million expected to be paid within the next 12 months. Refer to Note 14. 14, "Lease Commitments" of the Notes to the Consolidated Financial Statements for further discussion of the company's operating leases.

Additional Capital Requirements and Sources

Recent and expected other capital requirements and sources, in addition to the above matters, also include the items described below:

- Employee Benefit Plans: The company maintains an unfunded executive pension plan under which the company will pay supplemental pension benefits to certain employees upon retirement. As of December 31, 2023 December 31, 2024, the company had designated $114.9 million $115.7 million in assets to cover the ongoing costs of SERP payouts for both current and former executives. The projected benefit obligation at December 31, 2023 December 31, 2024 and 2022, 2023, was $88.1 million $83.0 million and $84.1 million $88.1 million, respectively. Refer to Note 13. 13, "Employee Benefit Plans" of the Notes to the Consolidated Financial Statements for further discussion of the company's executive pension plan.
- Environmental liabilities: The company is involved in certain ongoing environmental cleanup activities and legal proceedings, which are inherently uncertain with respect to outcomes. Refer to Note 15. 15, "Contingencies" of the Notes to the Consolidated Financial Statements for further discussion of the company's environmental liabilities.
- Hedging activities: The company has entered into certain foreign exchange forward contracts designated as net investment hedges. As of December 31, 2023 December 31, 2024, all such contracts were in an asset position in the amount of $47.2 million $53.7

Table of Contents

million. Refer to Note 7, "Financial Instruments Measured at Fair Value" of the Notes to the Consolidated Financial Statements for further discussion of the company's hedging activities.
- Restructuring activities: In an effort to address evolving business needs and optimize operating expenses, the company initiated the Operating Expense Efficiency Plan which is expected to incur pre-tax restructuring charges of approximately $185.0 million in total costs of which $60.6 million has been incurred as of December 31, 2024. Refer to Note 7. 9, "Restructuring, Integration, and Other" of the Notes to the Consolidated Financial Statements for further discussion of the company's restructuring activities.
- Sales of trade receivables: In the normal course of business, certain of the company's subsidiaries have agreements to sell, without recourse, selected trade receivables to financial institutions. The company does not retain financial or legal interests in these receivables, and, accordingly, they are accounted for as sales of the related receivables and the receivables are removed from the company's consolidated balance sheets. Refer to Note 4, "Accounts Receivable" of the Notes to the Consolidated Financial Statements for further discussion of the company's factoring arrangements.

Critical Accounting Estimates

The company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires the company to make significant estimates and judgments that affect have had or are reasonably likely to have a material impact on the reported amounts of assets, liabilities, revenues, and expenses and related disclosure of contingent assets and liabilities. The company evaluates its has established detailed policies and control procedures intended to ensure the appropriateness of such estimates on an ongoing basis. and assumptions and their consistent application from period to period. The company bases its estimates on historical experience and on various other assumptions that are believed reasonable under the circumstances; the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The company believes the following critical accounting policies involve the more significant judgments and estimates used in the preparation of its consolidated financial statements:

Revenue Recognition

The company recognizes revenue as control of products is transferred to customers, which generally happens at the point of shipment. Sales are recorded net of discounts, rebates, and returns, which historically have not been material. The company allows its customers to return product for exchange or credit in limited circumstances. The company also provides volume rebates and other discounts to certain customers which are considered For a variable consideration. A provision for customer rebates and other discounts is recorded as a reduction of revenue at the time of sale based on an evaluation of the contract terms and historical experience. Tariffs are included in sales as the company has enforceable rights to additional consideration to cover the cost of tariffs. Other taxes imposed by governmental authorities on the company's revenue producing activities with customers, such as sales taxes and value-added taxes, are excluded from net sales.

Products sold by the company are generally delivered via shipment from the company's facilities, drop shipment directly from the vendor, or by electronic delivery of keys for software products. The company is the principal in these transactions, as it is principally responsible for fulfilling the order, which includes negotiating price both with the supplier and customer, payment to the supplier, establishing payment terms with the customer, product returns, and has risk of loss if the customer does not make payment. Sales, where the company is the principal in the transaction, are reported on the gross amount billed to a customer less discounts, rebates, and returns (referred to as "sales recognized on a gross basis").

The company has contracts with certain customers where the company's performance obligation is to arrange for the products or services to be provided by another party. The company is the agent in these arrangements, which relate to the sale of supplier-provided service contracts to customers or the rendering of logistics services for the delivery of inventory for which the company does not assume the risks and rewards of ownership. Sales, where the company is the agent, are reported as the amount billed to the customer net of the cost of the sale (referred to as "sales recognized on a net basis").

No single customer accounted for more than 2% description of the company's 2023 consolidated sales. One supplier accounted for approximately 10% significant accounting policies, see Note 1, "Summary of Significant Accounting Policies" of the company's consolidated sales in 2023. Notes to Consolidated Financial Statements of this Form 10-K. The company believes that many following components of the products it sells are available from other sources at competitive prices. However, certain parts of the company's business, such as the company's global ECS reportable segment, rely on a limited number of suppliers with the strategy of providing focused support, extensive product knowledge, and customized service to suppliers, value-added resellers ("VARs"), and managed service providers ("MSPs"). Most of the company's purchases are pursuant to distributor agreements, which are typically non-exclusive and cancelable by either party at any time or on short notice. consolidated financial statements contain critical accounting estimates:

Trade Accounts and Notes Receivable

Trade accounts and notes receivable are reported at amortized cost, net of the allowance for credit losses in the consolidated balance sheets. The allowance for credit losses is a valuation account that is deducted from the receivables' amortized cost basis to present the net amount expected to be collected. Receivables are written off against the allowance when management believes the receivable balance is confirmed to be uncollectible. Refer to Notes 1 and 4.

Management estimates the allowance for credit losses using relevant available information about expected credit losses and an age-based reserve model. Inputs to the model include information about historical credit losses, customer credit ratings, past events, current conditions, and reasonable and supportable forecasts. Adjustments to historical loss information are made for differences in current receivable-specific risk characteristics such as changes in the economic and industry environment, or other relevant factors.

Expected credit losses are estimated on a collective (pool) basis, when similar risk characteristics exist, based on customer credit ratings, which include both externally acquired These adjustments as well as internally determined other inputs such as the identification of credit ratings. Receivables that do not share risk characteristics pools, and age-based allowances require significant judgment and are evaluated on an individual basis. inherently uncertain. This uncertainty can produce volatility in the company's allowance for credit losses. In addition, the allowance for credit losses could be insufficient to cover actual losses, which would negatively impact net income.

Inventories

Inventories are stated at the lower of cost or net realizable value. Write-downs of inventories to market net realizable value for excess or obsolete inventories are based upon contractual provisions governing supplier price protection, protections and stock rotation rights, and obsolescence, the age of inventories, inventory turnover, as well as assumptions about future demand and market conditions. If assumptions about future demand change and/or actual market conditions are less favorable than those projected by the company, additional write-downs of inventories may be required. Due to the large number of products, markets, and transactions, and the complexity of managing the process around price protections and stock rotations, there is a high degree of judgment required for estimates are made regarding adjustments to the book cost of inventories. Actual amounts could be different from those estimated. demand for age-based inventory and future market conditions, after considering supplier protection provisions.

Income Taxes

Income The company is subject to income taxes are accounted for under in the liability method, which requires U.S. and numerous foreign jurisdictions. The evaluation of the recognition of company's valuation allowance on deferred tax assets and liabilities for the expected future uncertain tax consequences of events that have been included positions involves significant judgment in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of differences between the tax bases of assets and liabilities and their financial reporting amounts using enacted tax rates in effect for the year in interpretation

Table of Contents

which the differences are expected to reverse. The effect and application of a change in GAAP and complex domestic and international tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The carrying value of the company's deferred tax assets is dependent upon the company's ability to generate sufficient future taxable income in certain tax jurisdictions. Should the company determine that it is more likely than not that some portion or all of its deferred tax assets will not be realized, a valuation allowance to reduce the deferred tax assets is established in the period such determination is made. laws. The assessment of the need for a valuation allowance requires judgment on the part of management with respect to the benefits that could be realized from future taxable income, as well as other positive and negative factors.

It is also the company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. To the extent the company prevails in matters for which a liability for an unrecognized tax benefit is established, or is required to pay amounts in excess of the liability, or when other facts and circumstances change, the company's effective tax rate in a given financial statement period may be materially affected. Refer to Note 8 "Income Taxes" of the Notes to Consolidated Financial Statements for further discussion.

Contingencies and Litigation

From time to time, the company is subject to proceedings, lawsuits, and other claims related to environmental, regulatory, labor, product, tax, and other matters and assesses the likelihood of an adverse judgment or outcome for these matters, as well as the range of potential losses. A determination of the reserves required, if any, is made after careful analysis. The Significant judgments are made when determining if these reserves may change in the future due to new developments impacting the probability of a loss, the estimate of such loss, and the probability of recovery of such loss from third parties. These matters are reviewed at least on a quarterly basis. Refer to Note 15 "Contingencies" of the Notes to Consolidated Financial Statements for further discussion.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. The company tests goodwill for impairment annually as of the first day of the fourth quarter and/or when an event occurs or circumstances change such that it is more likely than not that an impairment may exist. Examples of such events and circumstances that the company would consider include the following:

- macroeconomic conditions such as deterioration in general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, or other developments in equity and credit markets;
- industry and market considerations such as a deterioration in the environment in which the company operates, an increased competitive environment, a decline in market-dependent multiples or metrics (considered in both absolute terms and relative to peers), a change in the market for the company's products or services, or a regulatory or political development;
- cost factors such as increases in inventory, labor, or other costs that have a negative effect on earnings and cash flows;
- overall financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods;
- other relevant entity-specific events such as changes in management, key personnel, strategy, or customers, contemplation of bankruptcy, or litigation;
- events affecting a reporting unit such as a change in the composition or carrying amount of its net assets, a more likely than not expectation of selling or disposing all, or a portion, of a reporting unit, the testing for recoverability of a significant asset group within a reporting unit, or recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit; and
- a sustained decrease in share price (considered in both absolute terms and relative to peers).

Table of Contents

Goodwill is tested at a level of reporting referred to as "the reporting unit." The company's reporting units are defined as:

- each of the three regional businesses within the global components reportable segment:
  - Americas Components;
  - Europe, the Middle East, and Africa ("EMEA") Components;
  - Asia/Pacific Components;
- eInfochips, which is part of the global components reportable segment; and
- each of the two regional businesses within the global ECS reportable segment:
  - ECS Americas;
  - ECS EMEA

The company performs a quantitative goodwill impairment test annually and this test is used to both identify and measure impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. Goodwill is tested at a level referred to as a reporting unit. If the carrying amount of the reporting unit is less than its fair value, no impairment exists. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss shall be is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. Refer to the table below for a list of the company's reporting units and the respective allocation of goodwill at December 31:

(millions)		**2024**
Americas Components	$	563
EMEA Components		116

Asia/Pacific Components (a)		—
eInfochips		224
Americas ECS		777
EMEA ECS		376
Consolidated	$	2,055

The sum of the components for goodwill by reporting unit may not agree to the total, as presented, due to rounding.

(a) Within the global components reportable segment, the Asia/Pacific reporting unit's goodwill was previously fully impaired.

The company estimates the fair value of a reporting unit using the income approach. For the purposes of the income approach, fair value is determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. The assumptions included in the income approach include forecasted revenues, gross profit margins, operating income margins, working capital, perpetual growth rates, income tax rates, and long-term discount rates, among others, all of which require significant judgments by management. Actual results may differ from those assumed in the company's forecasts. The company also reconciles its discounted cash flow analysis to its current market capitalization allowing for a reasonable control premium. As of the first day of the fourth quarters of 2024, 2023, 2022, and 2021, 2022, the company's annual impairment testing did not indicate impairment at any of the company's reporting units.

As of the date of the company's 2023 2024 annual impairment test, the fair value of all reporting units exceeded their carrying values by more than 19% 38%. Refer to Note 2. Discount rates are one of the more significant assumptions used in the income approach. If the company increased the discount rates used by 100 basis points, the fair value of all reporting units would still exceed their carrying values by more than 8% 24%.

Table of Contents

Actual results may differ from those assumed in the company's forecasts. A decline in general economic conditions or global equity valuations could impact the judgments and assumptions about the fair value of the company's businesses, and the company could be required to record an impairment charge in the future, which could impact the company's consolidated balance sheets, as well as the company's consolidated statements of operations. If the company was required to recognize an impairment charge in the future, the charge would not impact the company's consolidated cash flows, current liquidity, capital resources, and covenants under its existing revolving credit facility, North American asset securitization program, other outstanding borrowings, and EMEA asset securitization program.

As of December 31, 2023, the company has $2.1 billion of goodwill, of which approximately $568.2 million and $110.0 million was allocated to the Americas and EMEA reporting units within the global components reportable segment, respectively, $783.6 million and $391.7 million was allocated to the North America and EMEA reporting units within the global ECS reportable segment, respectively, and $197.0 million was allocated to the eInfochips reporting unit. Within the global components reportable segment, the Asia/Pacific reporting unit's goodwill was previously fully impaired.

Impact of Recently Issued Accounting Standards

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 is intended to enhance the transparency and decision usefulness For a summary of income tax disclosures. The amendments in this ASU address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related recent accounting pronouncements applicable to the rate reconciliation and income taxes paid information. The amendments in the ASU are effective for fiscal years beginning after December 15, 2024, on a prospective basis. Early adoption is permitted. The company is currently evaluating the potential effects of adopting the provisions of ASU No. 2023-09.

Table of Contents

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU No. 2023-07"). ASU 2023-07 requires that an entity disclose significant segment expenses, a description of "other segment items," and the title and position of the chief operating decision maker along with an explanation of how the reported segment profit or loss is assessed and allocated. The amendments in the ASU are effective for fiscal years beginning after December 15, 2023, and interim periods after December 15, 2024. The amendments in this ASU will be applied retrospectively for all prior periods presented in the financial statements. The company is currently evaluating the potential effects of adopting the provisions of ASU No. 2023-07.

In September 2022, the FASB issued ASU No. 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50) Disclosure of Supplier Finance Program Obligations* ("ASU No. 2022-04"). ASU No. 2022-04 requires that a buyer in a supplier finance program disclose sufficient information about the program to allow a user of company's consolidated financial statements, see Note 1 "Summary of Significant Accounting Policies" to understand the program's nature, activity during the period, and potential magnitude. The amendments in this ASU were applied retrospectively to each period in Consolidated Financial Statements, which a balance sheet was presented, with the exception of a new requirement to disclose a roll forward of program activity, which was applied prospectively. Effective January 1, 2023, the company adopted the provisions of ASU No. 2022-04 on a prospective basis. Refer to Note 5. is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The company is exposed to market risk from changes in foreign currency exchange rates and interest rates.

Foreign Currency Exchange Rate Risk

The company, as a large global organization, faces exposure to adverse movements in foreign currency exchange rates. These exposures may change over time as business practices evolve and could materially impact the company's financial results in the future. The company's primary exposure relates to transactions in which the currency collected from customers is different from the currency utilized to purchase the product sold in Europe, the Asia/Pacific region, Canada, and Latin America. The company's policy is to hedge substantially all such currency exposures for which natural hedges do not exist. Natural hedges exist when purchases and sales within a specific country are both denominated in the same currency and, therefore, no exposure exists to hedge with foreign exchange forward, option, or swap contracts (collectively, the "foreign exchange contracts"). In many regions in Asia, for example, sales and purchases are primarily denominated in U.S. dollars, resulting in a "natural hedge." Natural hedges exist in most countries in which the company operates, although the percentage of natural offsets, as compared with offsets that need to be hedged by foreign exchange contracts, will vary from country to country. The company does not enter into foreign exchange contracts for trading purposes. The risk of loss on a foreign exchange contract is the risk of nonperformance by the counterparties, which the company minimizes by limiting its counterparties to major financial institutions. The fair value of the foreign exchange contracts are estimated using foreign currency spot rates and forward rates quoted by third-party financial institutions. The notional amount of the foreign exchange contracts inclusive of foreign exchange contracts designated as a net investment hedge at December 31, 2023 December 31, 2024 and 2022, 2023, was $1.0 billion $1.1 billion and $1.3 billion $1.0 billion, respectively.

As a large global organization, the The company's consolidated results of operations and financial position are also impacted by changes in foreign currency exchange rates through the translation of the company's international financial statements into U.S. dollar. The company's non-U.S. dollar results of operations are negatively impacted during periods when the U.S. dollar strengthens and positively impacted during periods when the U.S. dollar weakens. During 2023, 2024, the U.S dollar weakened strengthened against most certain other currencies. This increased decreased sales and operating income by $51.8 million $33.4 million and $1.4 million $6.8 million respectively, for 2023, 2024, compared with the year-earlier period, based on 2022 2023 sales and operating income re-translated at average foreign currency exchange rates for 2023. 2024. These exposures may change over time and changes in foreign currency exchange rates could materially impact the company's financial results in the future. For example, sales and operating income would decrease by approximately $863.8 million $637.6 million and $51.0 million $25.3 million, respectively, if the U.S. dollar strengthened by another 10% against the Euro. These amounts were determined by considering the impact of a hypothetical foreign exchange rate on the sales and operating income of the company's international operations.

Table of Contents

Interest Rate Risk

The company's interest expense, in part, is sensitive to the general level of interest rates in North America, Europe, and the Asia/Pacific region. The company historically has managed its exposure to interest rate risk through the proportion of

Table of Contents

fixed-rate and floating-rate debt in its total debt portfolio. Additionally, the company may, at times, utilize interest rate swaps in order to manage its targeted mix of fixed- and floating-rate debt.

At December 31, 2023 December 31, 2024, 64% 78% of the company's debt was subject to fixed rates and 36% 22% was subject to floating rates. During 2023, 2024, the average outstanding balance on the company's floating rate debt was $2.2 billion $1.3 billion, and a one percentage point change in average interest rates would have caused net interest and other financing expense during 2023 2024 to increase by $21.7 million $12.9 million. This was determined by considering the impact of a hypothetical interest rate on the company's average outstanding balance of floating rate debt during 2023. 2024. In the event of a change in the economic environment, which may adversely impact interest rates, the company could likely take actions to mitigate potential negative exposure to changes in interest rates. However, due to the uncertainty of the specific actions that might be taken and their possible effects, the sensitivity analysis assumes no changes in the company's financial structure.

Table of Contents

Item 8. Financial Statements and Supplementary Data.

TABLE OF CONTENTS INDEX

Index

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Arrow Electronics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Arrow Electronics, Inc. (the Company) as of December 31, 2023 December 31, 2024 and 2022, 2023, the related consolidated statements of operations, comprehensive income (loss), equity and cash flows for each of the three years in the period ended December 31, 2023 December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 December 31, 2024 and 2022, 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023 December 31, 2024, based on criteria established in Internal Control-Integrated Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 13, 2024 February 11, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of net realizable value adjustments to inventories for excess or obsolescence

Description of the Matter	At December 31, 2023 December 31, 2024, the Company's inventories were $5.1 billion $4.7 billion. As discussed in Note 1 to the consolidated financial statements, inventories are stated at the lower of cost or net realizable value. Write-downs of inventories to net realizable value for excess or obsolete inventories are based upon forecasted sales, contractual supplier protection and stock rotation privileges, and the age of inventories. Auditing management's lower of cost or net realizable value determination for excess or obsolete inventories was especially challenging and highly judgmental because of the estimation uncertainty in determining demand for aging inventory and future market conditions, after considering supplier protection provisions. Inventories not supported by forecasted sales orders

Index

or stock rotation privileges are written down to lower of cost or net realizable value based on the age of the inventories and inventory turnover.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's determination of the lower of cost or net realizable value for excess and obsolete inventories. For example, we tested controls over management's review of excess and obsolete inventories which includes their review of the assumptions supporting current product demand, supplier protections, evaluation of aging of inventories and consideration of inventory turnover.

Our audit procedures to test the net realizable value adjustments to inventories for excess or obsolescence included, among others, testing the completeness and accuracy of the underlying data used in management's assessment. We evaluated the reasonableness of management's assumptions by performing a retrospective review of the prior year assumptions to actual activity, including write-down and write-off history. We evaluated the appropriateness and consistency of management's methods and assumptions used in developing their estimates around forecasted sales and expected stock rotation privileges. We tested the aging of inventories. We held discussions with senior financial and operating management to determine whether any strategic or operational changes in the business would impact expected demand or related carrying value of inventory. We assessed the reasonableness of management's excess and obsolescence assumptions by comparing those assumptions to historical data and trends, as well as reviewing such assumptions for management bias. We considered macroeconomic trends within the industry, including trends that could impact the movement of the products provided by the Company. We performed procedures to compare recent sales transactions or market data to cost of inventories to assess that the carrying value of inventories was the lower of cost or net realizable value.

Evaluation of Americas Components and eInfochips Goodwill for Impairment

Description of the Matter

At December 31, 2023 December 31, 2024, the Company's consolidated goodwill was $2.1 billion. As discussed in Note 2 to the consolidated financial statements, goodwill is tested for impairment annually as of the first day of the fourth quarter, or more frequently if indicators of potential impairment exist. As of the first day of the fourth quarter, the Company performed its annual impairment test which did not result in any impairment of goodwill.

Auditing management's annual impairment tests test related to the Americas Components and eInfochips reporting units unit was especially challenging due to the complexity of forecasting the future cash flows of these businesses this business and the significant estimation uncertainty of the assumptions included within such forecasts. forecast. The significant estimation uncertainty was primarily due to the sensitivity of the reporting units' unit's fair value to changes in the underlying assumptions used in the income approach which include, among others, forecasted revenue, gross profit margins, operating expenses, forecasted working capital levels, and discount rates. These significant assumptions are inherently uncertain and require a high degree of estimation and judgment based on an evaluation of historical performance, current industry and global economic and geo-political conditions, and the timing and success of the Company's ability to implement strategic initiatives.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's goodwill impairment review process, including controls overmanagement's review of the significant assumptions described above and controls over management's review of its annual financial forecasts. forecasts.

To test the estimated fair value of the Americas Components and eInfochips reporting units, unit, we performed audit procedures that included, among others, involving a specialist to assist in assessing the Company's fair value methodologies methodology and its development and calculation of the discount rate. We discount rates. We assessed the reasonableness of the Company's assumptions around forecasted revenue, gross profit margins, operating expenses, forecasted working capital levels, discount and tax rates, and tax as well as discount rates, by comparing those assumptions to recent historical performance, current economic and industry trends, and annual financial forecasts presented to the Board of Directors and communicated to external analysts. We also assessed the reasonableness of estimates included in the Company's annual financial forecast by evaluating how such assumptions compared to economic, industry, and peer expectations. We evaluated management's historical accuracy in forecasting revenues, gross profit margin, operating expenses, and capital expenditures by comparing past forecasts to subsequent actual activity. We performed various sensitivity analyses around these significant assumptions to understand the impact on the fair value calculation and focused our testing accordingly. We evaluated the Company's determination of its reporting units and tested the allocation of net assets to each of its reporting units. We also tested the Company's reconciliation of the fair value of its reporting units to the Company's market value as of the impairment test date.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1975.

Denver, Colorado

February 13, 2024 11, 2025

Index

ARROW ELECTRONICS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands except per share data)

	Years Ended December 31,		
	2023	**2022**	**2021**
Sales	$ 33,107,120	$ 37,124,422	$ 34,477,018
Cost of sales	28,958,102	32,287,797	30,274,653
Gross profit	4,149,018	4,836,625	4,202,365
Operating expenses:			
Selling, general, and administrative expenses	2,412,822	2,567,008	2,435,030
Depreciation and amortization	181,116	187,382	195,120
Restructuring, integration, and other charges	83,916	13,741	15,393
	2,677,854	2,768,131	2,645,543
Operating income	1,471,164	2,068,494	1,556,822
Equity in earnings of affiliated companies	6,407	7,664	3,508
Gain (loss) on investments, net	19,284	(2,857)	12,951
Employee benefit plan expense, net	(3,777)	(3,503)	(5,180)
Interest and other financing expense, net	(328,724)	(185,648)	(131,727)
Income before income taxes	1,164,354	1,884,150	1,436,374
Provision for income taxes	254,991	448,992	325,906
Consolidated net income	909,363	1,435,158	1,110,468

Noncontrolling interests	5,858	8,274	2,271
Net income attributable to shareholders	$ 903,505	$ 1,426,884	$ 1,108,197
Net income per share:			
Basic	$ 16.03	$ 22.01	$ 15.29
Diluted	$ 15.84	$ 21.80	$ 15.10
Weighted-average shares outstanding:			
Basic	56,359	64,838	72,472
Diluted	57,035	65,453	73,385

	Years Ended December 31,		
	2024	2023	2022
Sales	$ 27,923,324	$ 33,107,120	$ 37,124,422
Cost of sales	24,630,916	28,958,102	32,287,797
Gross profit	3,292,408	4,149,018	4,836,625
Operating expenses:			
Selling, general, and administrative	2,217,940	2,412,822	2,567,008
Depreciation and amortization	162,994	181,116	187,382
Restructuring, integration, and other	142,917	83,916	13,741
	2,523,851	2,677,854	2,768,131
Operating income	768,557	1,471,164	2,068,494
Equity in earnings of affiliated companies	1,368	6,407	7,664
(Loss) gain on investments, net	(4,830)	19,284	(2,857)
Loss on extinguishment of debt	(1,657)	—	—
Employee benefit plan expense, net	(4,285)	(3,777)	(3,503)
Interest and other financing expense, net	(269,834)	(328,724)	(185,648)
Income before income taxes	489,319	1,164,354	1,884,150
Provision for income taxes	95,812	254,991	448,992
Consolidated net income	393,507	909,363	1,435,158
Noncontrolling interests	1,433	5,858	8,274
Net income attributable to shareholders	$ 392,074	$ 903,505	$ 1,426,884
Net income per share:			
Basic	$ 7.36	$ 16.03	$ 22.01
Diluted	$ 7.29	$ 15.84	$ 21.80
Weighted-average shares outstanding:			
Basic	53,282	56,359	64,838
Diluted	53,797	57,035	65,453

See accompanying notes.

Index

ARROW ELECTRONICS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

	Years Ended December 31,	Years Ended December 31,

	2023	2022	2021	2024	2023	2022
Consolidated net income	$ 909,363	$ 1,435,158	$ 1,110,468	$ 393,507	$909,363	$1,435,158
Other comprehensive income (loss):						
Foreign currency translation adjustment and other, net of taxes	74,800	(231,464)	(133,106)	(225,564)	74,800	(231,464)
(Loss) gain on foreign exchange contracts designated as net investment hedges, net of taxes	(7,952)	8,779	14,452			
Gain on interest rate swaps designated as cash flow hedges, net of taxes	2,783	28,664	21,538			
Gain (loss) on foreign exchange contracts designated as net investment hedges, net of taxes				7,859	(7,952)	8,779
(Loss) gain on interest rate swaps designated as cash flow hedges, net of taxes				(1,137)	2,783	28,664
Employee benefit plan items, net of taxes	(1,277)	18,724	7,150	4,854	(1,277)	18,724
Other comprehensive income (loss)	68,354	(175,297)	(89,966)	(213,988)	68,354	(175,297)
Comprehensive income	977,717	1,259,861	1,020,502	179,519	977,717	1,259,861
Less: Comprehensive income (loss) attributable to noncontrolling interests	6,989	6,582	(923)			
Less: Comprehensive (loss) income attributable to noncontrolling interests				(1,325)	6,989	6,582
Comprehensive income attributable to shareholders	$ 970,728	$ 1,253,279	$ 1,021,425	$ 180,844	$970,728	$1,253,279

See accompanying notes.

Index

ARROW ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands except par value)

	December 31,		December 31,	
	2023	2022	2024	2023
ASSETS				
Current assets:				
Cash and cash equivalents	$ 218,053	$ 176,915	$ 188,807	$ 218,053
Accounts receivable, net	12,238,073	12,322,717	13,030,991	12,238,073
Inventories	5,187,225	5,319,369	4,709,706	5,187,225
Other current assets	684,126	521,339	471,909	684,126
Total current assets	18,327,477	18,340,340	18,401,413	18,327,477
Property, plant, and equipment, at cost:				
Land	5,691	5,691	5,691	5,691
Buildings and improvements	195,579	184,211	194,061	195,579
Machinery and equipment	1,632,606	1,583,661	1,623,228	1,632,606
	1,833,876	1,773,563	1,822,980	1,833,876
Less: Accumulated depreciation and amortization	(1,303,136)	(1,177,107)	(1,353,720)	(1,303,136)
Property, plant, and equipment, net	530,740	596,456	469,260	530,740

Investments in affiliated companies	62,741	65,112	57,299	62,741
Intangible assets, net	127,440	159,137	96,706	127,440
Goodwill	2,050,426	2,027,626	2,055,295	2,050,426
Other assets	627,344	574,511	677,734	627,344
Total assets	$ 21,726,168	$ 21,763,182	$ 21,757,707	$ 21,726,168
LIABILITIES AND EQUITY				
Current liabilities:				
Accounts payable	$ 10,070,015	$ 10,460,419	$ 11,047,470	$ 10,070,015
Accrued expenses	1,463,915	1,339,302	1,238,714	1,463,915
Short-term borrowings, including current portion of long-term debt	1,653,954	589,883	349,978	1,653,954
Total current liabilities	13,187,884	12,389,604	12,636,162	13,187,884
Long-term debt	2,153,553	3,182,964	2,773,783	2,153,553
Other liabilities	507,424	579,261	516,234	507,424
Contingencies (Note 15)				
Equity:				
Shareholders' equity:				
Common stock, par value $1:				
Authorized - 160,000 shares in both 2023 and 2022				
Issued - 57,691 and 125,424 shares in 2023 and 2022, respectively	57,691	125,424		
Authorized - 160,000 shares in both 2024 and 2023				
Issued - 55,592 and 57,691 shares in 2024 and 2023, respectively			55,592	57,691
Capital in excess of par value	553,340	1,208,708	562,080	553,340
Treasury stock (3,880 and 66,175 shares in 2023 and 2022, respectively), at cost	(297,745)	(4,637,345)		
Treasury stock (3,420 and 3,880 shares in 2024 and 2023, respectively), at cost			(328,078)	(297,745)
Retained earnings	5,790,217	9,214,832	5,980,826	5,790,217
Accumulated other comprehensive loss	(298,039)	(365,262)	(509,269)	(298,039)
Total shareholders' equity	5,805,464	5,546,357	5,761,151	5,805,464
Noncontrolling interests	71,843	64,996	70,377	71,843
Total equity	5,877,307	5,611,353	5,831,528	5,877,307
Total liabilities and equity	$ 21,726,168	$ 21,763,182	$ 21,757,707	$ 21,726,168

See accompanying notes.

Index

ARROW ELECTRONICS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended December 31,		
	2023	**2022**	**2021**
Cash flows from operating activities:			
Consolidated net income	$ 909,363	$ 1,435,158	$ 1,110,468
Adjustments to reconcile consolidated net income to net cash provided by (used for) operations:			
Depreciation and amortization	181,116	187,382	195,120

Amortization of stock-based compensation	41,569	42,930	36,117
Equity in earnings of affiliated companies	(6,407)	(7,664)	(3,508)
Deferred income taxes	(93,980)	(13,050)	24,749
(Gain) loss on investments, net	(12,466)	2,857	(12,833)
Other	22,590	3,612	8,429
Change in assets and liabilities:			
Accounts receivable, net	189,425	(1,430,400)	(2,109,159)
Inventories	139,313	(1,165,785)	(960,605)
Accounts payable	(457,382)	945,819	1,766,912
Accrued expenses	38,601	102,193	391,941
Other assets and liabilities	(246,293)	(136,129)	(28,648)
Net cash provided by (used for) operating activities	705,449	(33,077)	418,983
Cash flows from investing activities:			
Acquisition of property, plant, and equipment	(83,285)	(78,836)	(83,051)
Proceeds from sale of property, plant, and equipment	—	—	22,171
Proceeds from collections of notes receivable	237	21,125	762
Proceeds from settlement of net investment hedge	10,725	—	—
Net cash used for investing activities	(72,323)	(57,711)	(60,118)
Cash flows from financing activities:			
Change in short-term and other borrowings	866,012	258,816	12,938
(Repayments of) proceeds from long-term bank borrowings, net	(1,031,881)	1,233,250	(687)
Redemption of notes	(300,000)	(350,000)	(130,860)
Net proceeds from note offering	496,268	—	495,134
Proceeds from exercise of stock options	17,010	17,340	46,982
Repurchases of common stock	(770,200)	(1,049,487)	(911,548)
Settlement of forward-starting interest rate swap	56,711	—	24,896
Other	(142)	(137)	(159)
Net cash (used for) provided by financing activities	(666,222)	109,782	(463,304)
Effect of exchange rate changes on cash	74,234	(64,273)	(46,982)
Net increase (decrease) in cash and cash equivalents	41,138	(45,279)	(151,421)
Cash and cash equivalents at beginning of year	176,915	222,194	373,615
Cash and cash equivalents at end of year	$ 218,053	$ 176,915	$ 222,194

	Years Ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Consolidated net income	$ 393,507	$ 909,363	$ 1,435,158
Adjustments to reconcile consolidated net income to net cash provided by (used for) operations:			
Depreciation and amortization	162,994	181,116	187,382
Amortization of stock-based compensation	34,631	41,569	42,930
Equity in earnings of affiliated companies	(1,368)	(6,407)	(7,664)
Deferred income taxes	(99,866)	(93,980)	(13,050)
Loss on extinguishment of debt	1,657	—	—
Loss (gain) on investments, net	5,260	(12,466)	2,857
Other	5,328	22,590	3,612
Change in assets and liabilities, net of effects of acquired businesses:			
Accounts receivable, net	(1,013,091)	189,425	(1,430,400)
Inventories	421,063	139,313	(1,165,785)
Accounts payable	1,092,488	(457,382)	945,819
Accrued expenses	(140,871)	38,601	102,193
Other assets and liabilities	268,681	(246,293)	(136,129)
Net cash provided by (used for) operating activities	1,130,413	705,449	(33,077)
Cash flows from investing activities:			
Acquisition of property, plant, and equipment	(92,703)	(83,285)	(78,836)

Proceeds from sale of property, plant, and equipment	5,157	—	—
Cash consideration paid for acquired businesses, net of cash acquired	(34,834)	—	—
Proceeds from collections of notes receivable	—	237	21,125
Proceeds from settlement of net investment hedge	10,635	10,725	—
Other	17,303	—	—
Net cash used for investing activities	(94,442)	(72,323)	(57,711)
Cash flows from financing activities:			
Change in short-term and other borrowings	(1,155,909)	866,012	258,816
Proceeds from (repayments of) long-term bank borrowings, net	470,347	(1,031,881)	1,233,250
Redemption of notes	(1,000,000)	(300,000)	(350,000)
Net proceeds from note offering	989,564	496,268	—
Proceeds from exercise of stock options	5,354	17,010	17,340
Repurchases of common stock	(265,142)	(770,200)	(1,049,487)
Settlement of forward-starting interest rate swap	—	56,711	—
Other	(1,041)	(142)	(137)
Net cash (used for) provided by financing activities	(956,827)	(666,222)	109,782
Effect of exchange rate changes on cash	(108,390)	74,234	(64,273)
Net (decrease) increase in cash and cash equivalents	(29,246)	41,138	(45,279)
Cash and cash equivalents at beginning of year	218,053	176,915	222,194
Cash and cash equivalents at end of year	$ 188,807	$ 218,053	$ 176,915

See accompanying notes.

Index

ARROW ELECTRONICS, INC.

CONSOLIDATED STATEMENTS OF EQUITY

(In thousands)

	Common Stock at Par Value	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance at December 31, 2020	$ 125,424	$ 1,165,850	$ (2,776,821)	$ 6,679,751	$ (104,885)	$ 59,633	$ 5,148,952
Consolidated net income	—	—	—	1,108,197	—	2,271	1,110,468
Other comprehensive loss	—	—	—	—	(86,772)	(3,194)	(89,966)
Amortization of stock-based compensation	—	36,117	—	—	—	—	36,117
Shares issued for stock-based compensation awards	—	(12,122)	59,104	—	—	—	46,982
Repurchases of common stock	—	—	(911,548)	—	—	—	(911,548)
Distributions	—	—	—	—	—	(159)	(159)
Balance at December 31, 2021	125,424	1,189,845	(3,629,265)	7,787,948	(191,657)	58,551	5,340,846

Consolidated net income	—	—	—	1,426,884	—	8,274	1,435,158
Other comprehensive loss	—	—	—	—	(173,605)	(1,692)	(175,297)
Amortization of stock-based compensation	—	42,930	—	—	—	—	42,930
Shares issued for stock-based compensation awards	—	(24,067)	41,407	—	—	—	17,340
Repurchases of common stock	—	—	(1,049,487)	—	—	—	(1,049,487)
Distributions	—	—	—	—	—	(137)	(137)
Balance at December 31, 2022	125,424	1,208,708	(4,637,345)	9,214,832	(365,262)	64,996	5,611,353
Consolidated net income	—	—	—	903,505	—	5,858	909,363
Other comprehensive income	—	—	—	—	67,223	1,131	68,354
Amortization of stock-based compensation	—	41,569	—	—	—	—	41,569
Shares issued for stock-based compensation awards	—	(38,536)	55,546	—	—	—	17,010
Repurchases of common stock	—	—	(770,200)	—	—	—	(770,200)
Retirement of treasury stock	(67,733)	(658,401)	5,054,254	(4,328,120)	—	—	—
Distributions	—	—	—	—	—	(142)	(142)
Balance at December 31, 2023	$ 57,691	$ 553,340	$ (297,745)	$ 5,790,217	$ (298,039)	$ 71,843	$ 5,877,307

	Common Stock at Par Value	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance at December 31, 2021	$ 125,424	$ 1,189,845	$ (3,629,265)	$ 7,787,948	$ (191,657)	$ 58,551	$ 5,340,846
Consolidated net income	—	—	—	1,426,884	—	8,274	1,435,158
Other comprehensive loss	—	—	—	—	(173,605)	(1,692)	(175,297)
Amortization of stock-based compensation	—	42,930	—	—	—	—	42,930
Shares issued for stock-based compensation awards	—	(24,067)	41,407	—	—	—	17,340
Repurchases of common stock	—	—	(1,049,487)	—	—	—	(1,049,487)
Distributions	—	—	—	—	—	(137)	(137)
Balance at December 31, 2022	$ 125,424	$ 1,208,708	$ (4,637,345)	$ 9,214,832	$ (365,262)	$ 64,996	$ 5,611,353
Consolidated net income	—	—	—	903,505	—	5,858	909,363
Other comprehensive income	—	—	—	—	67,223	1,131	68,354
Amortization of stock-based compensation	—	41,569	—	—	—	—	41,569
Shares issued for stock-based compensation awards	—	(38,536)	55,546	—	—	—	17,010
Repurchases of common stock	—	—	(770,200)	—	—	—	(770,200)
Retirement of treasury stock	(67,733)	(658,401)	5,054,254	(4,328,120)	—	—	—
Distributions	—	—	—	—	—	(142)	(142)
Balance at December 31, 2023	$ 57,691	$ 553,340	$ (297,745)	$ 5,790,217	$ (298,039)	$ 71,843	$ 5,877,307
Consolidated net income	—	—	—	392,074	—	1,433	393,507
Other comprehensive income	—	—	—	—	(211,230)	(2,758)	(213,988)
Amortization of stock-based compensation	—	34,631	—	—	—	—	34,631
Shares issued for stock-based compensation awards	375	(993)	5,972	—	—	—	5,354
Repurchases of common stock	—	—	(265,142)	—	—	—	(265,142)
Retirement of treasury stock	(2,474)	(24,898)	228,837	(201,465)	—	—	—
Distributions	—	—	—	—	—	(141)	(141)
Balance at December 31, 2024	$ 55,592	$ 562,080	$ (328,078)	$ 5,980,826	$ (509,269)	$ 70,377	$ 5,831,528

See accompanying notes.

Index

ARROW ELECTRONICS, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of Arrow Electronics, Inc. (the “company” or “Arrow”) include the accounts of the company, its majority-owned subsidiaries, and Arrow EMEA Funding Corp B.V. (see Note 4). All significant intercompany transactions are eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally acceptedGAAP in the United States (“GAAP”) requires the company to make significant estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments, which are readily convertible into cash, with original maturities of three months or less.

Trade Accounts and Notes Receivable

Trade accounts and notes receivable are reported at amortized cost, net of the allowance for credit losses in the consolidated balance sheets. The allowance for credit losses is a valuation account that is deducted from the receivables’ amortized cost basis to present the net amount expected to be collected. Receivables are written off against the allowance when management believes the receivable balance is confirmed to be uncollectible.

Management estimates the allowance for credit losses using relevant available information about expected credit losses and an age-based reserve model. Inputs to the model include information about historical credit losses, customer credit ratings, past events, current conditions, and reasonable and supportable forecasts. Adjustments to historical loss information are made for differences in current receivable-specific risk characteristics such as changes in the economic and industry environment, or other relevant factors.

Expected credit losses are estimated on a collective (pool) basis, when similar risk characteristics exist, based on customer credit ratings, which include both externally acquired as well as internally determined credit ratings. Receivables that do not share risk characteristics are evaluated on an individual basis.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a moving average cost basis, which approximates the first-in, first-out method. Substantially all inventories represent finished goods held for sale.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives for depreciation of buildings is generally 20 to 30 years, and the estimated useful lives of machinery and equipment is generally 3 to 10 years. Leasehold improvements are amortized over the shorter of the term of the related lease or the life of the improvement. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value of a specific asset or asset group may not be recoverable. We assess The company assesses the recoverability of long-lived assets with definite lives at the asset group level. Asset

level. Asset groups are determined based upon the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If the carrying value of an asset group cannot be recovered from estimated future cash flows, undiscounted and without interest, the fair value of the asset is calculated using the present value of estimated net future cash flows. If the fair value is less than the carrying amount of the asset, a loss is recognized for the difference, subject to the limitation of individual asset fair values within the group.

Software Development Costs

The company capitalizes certain internal and external costs incurred to acquire or create internal-use software. Capitalized software costs are amortized on a straight-line basis over the estimated useful life of the software, which is generally 3 to 12 years. At December 31, 2023 December 31, 2024 and 2022, 2023, the company had unamortized software development costs of $242.4 million $195.0 million and $313.6 million $242.4 million, respectively, which are included in "Machinery and equipment" in the company's consolidated balance sheets.

Identifiable Intangible Assets

Amortization of definite-lived intangible assets is computed using the straight-line method over the estimated useful lives of the assets. Identifiable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Investments

Investments are accounted for using the equity method if the investment provides the company the ability to exercise significant influence, but not control, over an investee. Significant influence is generally deemed to exist if the company has an ownership interest in the voting stock of the investee between 20% and 50%, although other factors, such as representation on the investee's Board of Directors, are considered in determining whether the equity method is appropriate. The company records its investments in equity method investees meeting these characteristics as "Equity in earnings of affiliated companies" in the company's consolidated statements of operations and "Investments in affiliated companies" in the company's consolidated balance sheets.

Equity investments for which the company does not possess the ability to exercise significant influence are measured at fair value using quoted market prices, and are included in "Other assets" in the company's consolidated balance sheets. Changes in fair value are recorded in "Gain (loss) "(Loss) gain on investments, net" in the company's consolidated statements of operations.

The company records equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. The company tests goodwill for impairment annually as of the first day of the fourth quarter and/or when an event occurs or circumstances change such that it is more likely than not that an impairment may exist. Examples of such events and circumstances that the company would consider include the following:

- macroeconomic conditions such as deterioration in general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, or other developments in equity and credit markets;
- industry and market considerations such as a deterioration in the environment in which the company operates, an increased competitive environment, a decline in market-dependent multiples or metrics (considered in both absolute terms and relative to peers), a change in the market for the company's products or services, or a regulatory or political development;
- cost factors such as increases in inventory, labor, or other costs that have a negative effect on earnings and cash flows;

Index

- overall financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods;

50

Index

- other relevant entity-specific events such as changes in management, key personnel, strategy, or customers, contemplation of bankruptcy, or litigation;
- events affecting a reporting unit such as a change in the composition or carrying amount of its net assets, a more likely than not expectation of selling or disposing all, or a portion, of a reporting unit, the testing for recoverability of a significant asset group within a reporting unit, or recognition of a goodwill impairment loss in the financial statements of a subsidiary that is a component of a reporting unit; and
- a sustained decrease in share price (considered in both absolute terms and relative to peers).

Goodwill is tested at a level of reporting referred to as "the the reporting unit." The Below is a list of the company's reporting units are defined as: and the respective allocation of goodwill:

- each of the three regional businesses within the global components reportable segment:

◦

(thousands)		2024
Americas Components	$	563,135
EMEA Components		115,651
Asia/Pacific Components (a)		—
eInfochips		223,659
Americas ECS		776,765
EMEA ECS		376,085
Consolidated	$	2,055,295

Americas Components;

(a) Within the global components reportable segment, the Asia/Pacific reporting unit's goodwill was previously fully impaired.

  - Europe, the Middle East, and Africa ("EMEA") Components;
  - Asia/Pacific Components;

- eInfochips, which is part of the global components reportable segment; and
- each of the two regional businesses within the global enterprise computing solutions ("ECS") reportable segment:
  - ECS Americas;
  - ECS EMEA

The company performs a quantitative goodwill impairment test annually and this test is used to both identify and measure impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit is less than its fair value, no impairment exists. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

The company estimates the fair value of a reporting unit using the income approach. For the purposes of the income approach, fair value is determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. The assumptions included in the income approach include forecasted revenues, gross profit margins, operating income margins, working capital, perpetual growth rates, income tax rates, and long-term discount rates, among others, all of which require significant judgments by management. Actual results may differ from those assumed in the company's forecasts. The company also reconciles its discounted cash flow analysis to its current market capitalization allowing for a reasonable control premium. As of the first day of the fourth quarters of 2024, 2023, 2022, and 2021, 2022, the company's annual impairment testing did not indicate impairment at any of the company's reporting units.

As of the date of the company's 2023 2024 annual impairment test, the fair value of all reporting units exceeded their carrying values by more than 19% 38%. Discount rates are one of the more significant assumptions used in the income approach. If the company increased the discount rates used by 100 basis points, the fair value of all reporting units would still exceed their carrying values by more than 8% 24%.

A decline in general economic conditions or global equity valuations could impact the judgments and assumptions about the fair value of the company's businesses, and the company could be required to record an impairment charge in the future, which could impact the company's consolidated balance sheets, as well as the company's consolidated statements of operations. If the company was required to recognize an impairment charge in the future, the charge would not impact the company's consolidated cash flows, current liquidity, capital resources, and covenants under its existing revolving credit facility, North American asset securitization program, other outstanding borrowings, and EMEA asset securitization program.

As of December 31, 2023, the company has $2.1 billion of goodwill, of which approximately $568.2 million and $110.0 million was allocated to the Americas and EMEA reporting units within the global components reportable segment, respectively, $783.6 million and $391.7 million was allocated to the North America and EMEA reporting units within the global ECS reportable segment, respectively, and $197.0 million was allocated to the eInfochips reporting unit. Within the global components reportable segment, the Asia/Pacific reporting unit's goodwill was previously fully impaired. Refer to Note 2.

51 56

[Index](#)

Leases

The company determines if a contract contains a lease at inception based on whether it conveys the right to control the use of an identified asset. Substantially all of the company's leases are classified as operating leases. The company records operating lease right-of-use assets within "Other assets" and lease liabilities are recorded within "Other liabilities" and "Accrued expenses" in the consolidated balance sheets. Lease expenses are recorded within "Selling, general, and administrative expenses" administrative" in the consolidated statements of operations. Operating lease payments are presented within "Operating cash flows" in the consolidated statements of cash flows.

Operating lease right-of-use assets and lease liabilities are recognized based on the net present value of future minimum lease payments over the lease term starting on the commencement date. The company generally is not able to determine the rate implicit in its leases and, as such, applies an incremental borrowing rate based on the company's cost of borrowing for the relevant terms of each lease. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Lease terms may include an option to extend or terminate a lease if it is reasonably certain that the company will exercise such options. The company does not separate lease components from non-lease components, and also has elected not to record a right-of-use asset or lease liability for leases which, at inception, have a term of twelve months or less. Variable lease payments are recognized in the period in which the obligation for those payments is incurred.

Foreign Currency Translation and Remeasurement

The assets and liabilities of international operations are translated at the exchange rates in effect at the balance sheet date. Revenue and expense accounts are translated at the monthly average exchange rates. Adjustments arising from the translation of the foreign currency financial statements of the company's international operations are reported as a component of "Accumulated other comprehensive loss" in the company's consolidated balance sheets.

For foreign currency remeasurement from each local currency into the appropriate functional currency, monetary assets and liabilities are remeasured to functional currencies using current exchange rates in effect at the balance sheet date. Gains or losses from these remeasurements were not significant and have been included in the company's consolidated statements of operations. Non-monetary assets and liabilities are recorded at historical exchange rates. Transactions denominated in currencies other than the applicable functional currency are converted to the functional currency at the exchange rate on the transaction date.

Income Taxes

Income taxes are accounted for under the liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of differences between the tax bases of assets and liabilities and their financial reporting amounts using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The carrying value of the company's deferred tax assets is dependent upon the company's ability to generate sufficient future taxable income in certain tax jurisdictions. Should the company determine that it is more likely than not that some portion or all of its deferred tax assets will not be realized, a valuation allowance to reduce the deferred tax assets is established in the period such determination is made. The assessment of the need for a valuation allowance requires judgment on the part of management with respect to the benefits that could be realized from future taxable income, as well as other positive and negative factors.

It is also the company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. To the extent the company prevails in matters for which a liability for an unrecognized tax benefit is established, or is required to pay amounts in excess of the liability, or when other facts and circumstances change, the company's effective tax rate in a given financial statement period may be materially affected.

Index

Net Income Per Share

Basic net income per share is computed by dividing net income attributable to shareholders by the weighted-average number of common shares outstanding for the period. Diluted net income per share reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock. The dilutive effect of equity awards is calculated using the treasury stock method.

Treasury Stock

The company's stock repurchase program provides an opportunity for the company to repurchase shares at the discretion of the company's senior executives, based on various factors. The company recognizes treasury stock based on the amount paid to repurchase its shares. Direct costs incurred to acquire treasury stock, including excise taxes, are added to the cost of the treasury stock. Upon the retirement of treasury shares, the cost of repurchased and retired treasury shares in excess of the par value is allocated between additional paid-in capital and retained earnings. All retired shares are classified as authorized but unissued and do not reduce the total number of authorized shares. When treasury shares are reissued, if the issuance price is higher than the average price paid to acquire the shares (the "average cost"), the gain on reissuance is credited to additional paid-in-capital. If the issuance price is lower than the average cost, the loss on reissuance is first charged against any previous gains recorded to additional paid-in-capital from treasury stock, with the remaining balance charged to retained earnings.

Comprehensive Income

Comprehensive income consists of consolidated net income, foreign currency translation adjustment, gains or losses on post-retirement benefit plans, gains or losses on foreign exchange contracts designated as net investment hedges, and gains and losses on interest rate swaps designated as cash flow hedges. Gains or losses on interest rate swaps, and foreign exchange contracts are net of any reclassification adjustments for realized gains or losses included in consolidated net income. Amounts related to net investment hedges that are excluded from the assessment of hedge effectiveness are amortized to "interest "Interest and other financing expenses, expense, net" on a straight-line basis over the life of the hedging instrument. Foreign currency translation adjustments included in comprehensive income which are deemed permanent investments in international affiliates were not tax effected. All other comprehensive income items are net of related income taxes.

Stock-Based Compensation

The company records share-based payment awards exchanged for employee services at fair value on the date of grant and expenses the awards in the consolidated statements of operations over the requisite employee service period. Stock-based compensation expense includes an estimate for forfeitures. Stock-based compensation expense related to awards with a market or performance condition which cliff vest, are recognized over the vesting period on a straight-line basis. Stock-based and stock-based compensation awards with service conditions only are also recognized over the vesting period on a straight-line basis. Stock-based compensation expense related to awards with graded vesting and performance conditions is recognized using the graded vesting method.

Segment Reporting

Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker CODM in deciding how to allocate resources and in assessing performance. The company's operations are classified into two reportable segments: global components and global ECS (see Note 16).

Revenue Recognition

The company recognizes revenue as control of products is transferred to customers, which generally happens at the point of shipment. Sales are recorded net of discounts, rebates, and returns, which historically have not been material. shipment, or when the service has occurred. The company allows its customers to return product for exchange or credit in limited circumstances. The company also provides volume rebates and other discounts to certain customers which are considered a variable consideration. A

provision for customer rebates and other discounts is recorded as a reduction of revenue at the time of sale based on an evaluation of the contract terms and historical experience. Sales are recorded net of discounts, rebates, and returns, which historically have not been material. Tariffs are included in sales as the company

has enforceable rights to additional consideration to cover the cost of tariffs. Other taxes imposed by governmental authorities on the company's revenue producing activities with customers, such as sales taxes and value-added taxes, are excluded from net sales.

Products sold by the company are generally delivered via shipment from the company's facilities, drop shipment directly from the vendor, or by electronic delivery of keys for software products. The company is the principal in these transactions as when it is principally responsible for fulfilling the order, which includes negotiating price both with the supplier and customer, pricing, payment to the supplier, establishing payment terms with the customer, product returns, and has risk of loss if the customer does not make payment. Sales, where the company is the principal in the transaction, are reported on the gross amount billed to a customer less discounts, rebates, and returns (referred to as "sales recognized on a gross basis").

The company has contracts with certain customers where the company's performance obligation is to arrange for the products or services to be provided by another party. The company is the agent in these arrangements, which relate pertains to the sale of supplier-provided service contracts to customers or the rendering of logistics services for the delivery of inventory product for which the company does not assume the risks and rewards of ownership. ownership as part of logistics services rendered to customers. Sales, where the company is the agent, are reported as the amount billed to the customer net of the cost of the sale (referred to as "sales recognized on a netbasis").

Within the company's global ECS reportable segment, in certain periods, changes in the mix of sales of IT solutions impact the proportion of the company's revenue that is recorded on a net basis compared to a gross basis. These changes increase or decrease sales during a period without a corresponding change in gross profit. This is driven by the company's responsibilities in the sale of various IT solutions, which is based on terms and conditions in place with its partners.

No single customer accounted for more than 2% of the company's 2023 2024 consolidated sales. One No single supplier accounted for approximately 10% more than 8% of the company's consolidated sales in 2023. 2024. The company believes that many of the products it sells are available from other sources at competitive prices. However, certain parts of the company's business, such as the company's global ECS reportable segment, business, rely on a limited number of suppliers with the strategy of providing focused support, extensive product knowledge, and customized service to suppliers, value-added resellers ("VARs"), MSPs, and managed service providers ("MSPs"). VARs. Most of the company's purchases from suppliers are pursuant to distributor agreements, which are typically non-exclusive and cancelable by either party at any time or on short notice.

Shipping and Handling Costs

The company reports shipping and handling costs, primarily related to outbound freight, in the consolidated statements of operations as a component of "Selling, general, and administrative expenses" administrative" or "Cost of sales", depending on the nature of the transaction.

Vendor Programs

The company participates in supplier programs that provide for price protection, product rebates, marketing/promotional allowances, and other incentives. The consideration received under these programs is recorded in the consolidated statements of operations as an adjustment to "cost "Cost of sales" or "selling, "Selling, general, and administrative expenses" administrative", according to the nature of the activity and terms of the vendor program. Incentives are accrued as they are earned based on sales of qualifying products or as services are provided in accordance with the terms of the related program.

Impact of Recently Issued Accounting Standards

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires entities to disaggregate expense items in the notes to the financial statements and requires disclosure of specified information related to purchases of inventory, employee compensation, depreciation, and intangible asset amortization. The amendments in this ASU are effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Companies have the option to apply the guidance either on a retrospective or prospective basis, and early adoption is permitted. The company is currently evaluating the impact of the ASU on its

Index

condensed consolidated financial statements and related disclosures. In January 2025, the FASB issued ASU No. 2025-01, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date. This ASU amends the effective date of ASU No. 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption of ASU No. 2024-03 is permitted.

In December 2023, the Financial Accounting Standards Board ("FASB") FASB issued Accounting Standard Update ("ASU") ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (" . Upon adoption of this ASU, 2023-09"). ASU 2023-09 is intended to enhance the transparency and decision usefulness of company will disclose specific new categories in its income tax disclosures. The amendments in this ASU address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and provide additional information for reconciling items above a quantitative threshold. The company will also disclose the amount of income taxes paid information. disaggregated by federal, state, and foreign taxes, and also disaggregated by individual jurisdictions in which income taxes paid were above a threshold. The company expects these amendments will first be applied in the ASU are effective company's annual report on form 10-K for the fiscal years beginning after December 15, 2024 year ending December 31, 2025, on a prospective basis. Early adoption is permitted. The company is currently evaluating the potential effects of adopting the provisions of ASU No. 2023-09.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (" . Upon adoption of this ASU, No. 2023-07"). ASU 2023-07 requires that an entity disclose the company has disclosed significant segment expenses, a description of "other segment items," and the title and position of the chief operating decision maker along with CODM, and an

Index

explanation of how the reported measure of segment profit or loss is assessed used by the CODM to assess segment performance and allocated. The amendments in the ASU are effective for fiscal years beginning after December 15, 2023, and interim periods after December 15, 2024. The amendments in this ASU will be applied retrospectively for all prior periods presented in the financial statements. The company is currently evaluating the potential effects of adopting the provisions of ASU No. 2023-07.

In September 2022, the FASB issued ASU No. 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50) Disclosure of Supplier Finance Program Obligations* ("ASU No. 2022-04"). ASU No. 2022-04 requires that a buyer in a supplier finance program disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, and potential magnitude. The amendments in this ASU were applied retrospectively to each period in which a balance sheet was presented, with the exception of a new requirement to disclose a rollforward of program activity, which was applied prospectively. make resource allocation decisions. Effective January 1, 2023 December 31, 2024, the company adopted the provisions of this ASU no. 2022-04 on a prospective retrospective basis. Refer to Note 5. 16.

Reclassification

Certain prior period amounts were reclassified to conform to the current period presentation. These reclassifications did not have a material impact on previously reported amounts.

2. Goodwill and Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. The company tests goodwill and other indefinite-lived intangible assets for impairment annually as of the first day of the fourth quarter, or more frequently if indicators of potential impairment exist. As of the first day of the fourth quarters of 2024, 2023, 2022, and 2021, 2022, the company's annual impairment testing did not result in any additional impairment of goodwill of companies acquired.

Goodwill of companies acquired, allocated to the company's reportable segments, is as follows:

(thousands)	Global Components	Global ECS	Total	Global Components	Global ECS	Total
Balance as of December 31, 2021 (a)	$ 882,948	$ 1,197,423	$ 2,080,371			
Foreign currency translation adjustment	(9,945)	(42,800)	(52,745)			
Balance as of December 31, 2022 (a)	$ 873,003	$ 1,154,623	$ 2,027,626	$ 873,003	$1,154,623	$2,027,626
Foreign currency translation adjustment	2,191	20,609	22,800	2,191	20,609	22,800
Balance as of December 31, 2023 (a)	$ 875,194	$ 1,175,232	$ 2,050,426	$ 875,194	$1,175,232	$2,050,426
Acquisitions				35,870	—	35,870
Foreign currency translation adjustment				(8,619)	(22,382)	(31,001)
Balance as of December 31, 2024 (a)				$ 902,445	$1,152,850	$2,055,295

(a) The total carrying value of goodwill as of December 31, 2023 December 31, 2024, 2022, 2023, and 2021 2022 in the table above is reflected net of $1.6 billion of accumulated impairment charges, of which $1.3 billion was recorded in the global components reportable segment and $301.9 million was recorded in the global ECS reportable segment.

Intangible assets, net, are comprised of the following as of December 31, 2023 December 31, 2024:

(thousands)	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	$ 258,337	$ (156,141)	$ 102,196	$215,366	$ (133,927)	$81,439
Amortizable trade name	73,811	(48,567)	25,244	74,001	(58,734)	15,267
	$ 332,148	$ (204,708)	$ 127,440	$289,367	$ (192,661)	$96,706

Index

Intangible assets, net, are comprised of the following as of December 31, 2022 December 31, 2023:

(thousands)	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	$ 268,180	$ (144,655)	$ 123,525	$258,337	$ (156,141)	$102,196
Amortizable trade name	74,011	(38,399)	35,612	73,811	(48,567)	25,244
	$ 342,191	$ (183,054)	$ 159,137	$332,148	$ (204,708)	$127,440

Amortization expense related to identifiable intangible assets was $31.2 million $29.5 million, $34.7 million $31.2 million, and $36.9 million $34.7 million for the years ended December 31, 2023 December 31, 2024, 2022, 2023, and 2021, 2022, respectively. Amortization expense for each of the years 2024 2025 through 2028 2029 is estimated to be approximately $29.5 million, $20.3 million $20.2 million, $19.5 million, $18.9 million, $11.2 million, and $11.2 million $7.3 million, respectively.

3. Investments in Affiliated Companies

The company owns a 50% interest in two joint ventures with Marubun Corporation (collectively “Marubun/Arrow”) and a 50% interest in one other joint venture. These investments are accounted for using the equity method.

The following table presents the company’s investment in affiliated companies:

(thousands)	2023	2022	2024	2023
Marubun/Arrow	$ 50,779	$ 54,292	$43,851	$50,779
Other	11,962	10,820	13,448	11,962
	$ 62,741	$ 65,112	$57,299	$62,741

The equity in earnings of affiliated companies consists of the following:

(thousands)	2023	2022	2021	2024	2023	2022
Marubun/Arrow	$ 4,452	$ 6,289	$ 2,684	$ (463)	$4,452	$6,289
Other	1,955	1,375	824	1,831	1,955	1,375
	$ 6,407	$ 7,664	$ 3,508	$1,368	$6,407	$7,664

Under the terms of various joint venture agreements, the company is required to pay its pro-rata share of the third-party debt of the joint ventures in the event that the joint ventures are unable to meet their obligations. There were no outstanding borrowings under the third-party debt agreements of the joint ventures as of December 31, 2023 December 31, 2024 and 2022.2023.

4. Accounts Receivable

Accounts receivable, net, consists of the following at December 31:

(thousands)	2024	2023
Accounts receivable	$ 13,147,436	$ 12,384,553
Allowance for credit losses	(116,445)	(146,480)
Accounts receivable, net	$ 13,030,991	$ 12,238,073

The following table is a rollforward for the company’s allowance for credit losses at December 31:

(thousands)	2023	2022
Accounts receivable	$ 12,384,553	$ 12,416,114
Allowance for credit losses	(146,480)	(93,397)
Accounts receivable, net	$ 12,238,073	$ 12,322,717

Allowance for credit losses consists of the following at December 31:

(thousands)	2023	2022	2021
Balance at beginning of period	$ 93,397	$ 75,901	$ 92,792
Charged to income	71,984	34,590	7,039
Translation Adjustments	690	(1,476)	(1,963)
Write-offs	(19,591)	(15,618)	(21,967)
Balance at end of period	$ 146,480	$ 93,397	$ 75,901

(thousands)	2024	2023	2022
Balance at beginning of period	$ 146,480	$ 93,397	$ 75,901
Charged to income	751	71,984	34,590
Translation Adjustments	(2,411)	690	(1,476)
Write-offs	(28,375)	(19,591)	(15,618)

Balance at end of period	$116,445	$146,480	$ 93,397

Index

The company monitors the current credit condition of its customers and other available information about expected credit losses in estimating its allowance for credit losses. During 2023, increases to the The changes in allowance for credit losses charged taken in 2024 as compared to income were $37.4 million higher than 2023, relates primarily to charges of $25.4 million recorded during 2023 relating to one customer within the prior year, primarily due to the aging global ECS reportable segment, of receivables which $20.0 million was subsequently reversed upon recovery during 2024. As of certain customers. With the exception of these few customers, as of December 31, 2023 December 31, 2024, the company has not experienced significant changes in customers' payment trends or significant deterioration in customers' credit risk.

EMEA Asset Securitization

The company has an EMEA asset securitization program under which it continuously sells its interest in designated pools of trade accounts receivable of certain of its subsidiaries in the EMEA region at a discount, to a special purpose entity, which in turn sells certain of the receivables to unaffiliated financial institutions and conduits administered by such unaffiliated financial institutions ("unaffiliated financial institutions") on a monthly basis. The company may sell up to €600.0 million under the EMEA asset securitization program, which matures in December 2025, 2027, subject to extension in accordance with its terms. During the fourth quarter of 2024, the company extended the program's maturity to 2027 and amended the program to correct an administrative error and regain compliance with certain operational covenants. In January 2023, July 2023, and February 2024 the company amended provisions in the EMEA asset securitization program to update certain financial ratios. The program is conducted through Arrow EMEA Funding Corp B.V., an entity structured to be bankruptcy remote. The company is deemed the primary beneficiary of Arrow EMEA Funding Corp B.V. as the company has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive the benefits that could potentially be significant to the entity from the transfer of the trade accounts receivables receivable into the special purpose entity. Accordingly, Arrow EMEA Funding Corp B.V. is included in the company's consolidated financial statements.

Sales of accounts receivable to unaffiliated financial institutions under the EMEA asset securitization program for the years ended December 31:

(thousands)	2023	2022	2021	2024	2023	2022
EMEA asset securitization, sales of accounts receivables	$ 3,160,247	$ 2,524,276	$ 2,193,983	$1,892,516	$3,160,247	$2,524,276

Receivables sold to unaffiliated financial institutions under the program are excluded from "Accounts receivable, net" on the company's consolidated balance sheets and cash receipts are reflected as cash provided by operating activities on the consolidated statements of cash flows. The purchase price is paid in cash when the receivables are sold. Certain unsold receivables held on Arrow EMEA Funding Corp B.V. are pledged as collateral to unaffiliated financial institutions. These unsold receivables are included in "Accounts receivable, net" in the company's consolidated balance sheets.

The company continues servicing the receivables which were sold and in exchange receives a servicing fee under the program. The company does not record a servicing asset or liability on the company's consolidated balance sheets as the company estimates that the fee it receives to service these receivables approximates the fair market compensation to provide the servicing activities.

Other amounts related to the EMEA asset securitization program as of December 31:

(thousands)	2023	2022	2024	2023
Receivables sold to unaffiliated financial institutions that were uncollected	$ 529,266	$ 628,930	$339,669	$529,266
Collateralized accounts receivable held by Arrow EMEA funding Corp B.V.	805,788	932,243	528,975	805,788

Any accounts receivable held by Arrow EMEA Funding Corp B.V. would likely not be available to other creditors of the company in the event of bankruptcy or insolvency proceedings if there are outstanding balances under the EMEA asset securitization program. The assets of the special purpose entity cannot be used by the company for general corporate purposes. Additionally, the financial obligations of Arrow EMEA Funding Corp B.V. to the unaffiliated financial

institutions under the program are limited to the assets it owns and there is no recourse to Arrow Electronics, Inc. for receivables that are uncollectible as a result of the an account debtor's insolvency or inability to pay of the account debtors. pay.

The EMEA asset securitization program includes terms and conditions that limit the incurrence of additional borrowings and require that certain financial ratios be maintained at designated levels. As of December 31, 2023 December 31, 2024, the company was in compliance with all such financial covenants.

Factoring

In the normal course of business, certain of the company's subsidiaries have factoring agreements to sell, without with limited or no recourse, selected trade accounts receivable to financial institutions. The company does not retain financial or legal interests in institutions, and accounts for these receivables, and, accordingly they are accounted for transactions as sales of the related receivables, and the receivables. The receivables are excluded from "Accounts receivable, net" on the company's consolidated balance sheets and cash receipts are reflected as cash "Cash provided by operating activities activities" on the consolidated statements of cash flows. The company typically does not retain financial or legal interests in these receivables. Factoring fees for the sales of accounts receivables receivable are included in "Interest and other financing expense, net" in the consolidated statements of operations. The company continues servicing the receivables which were sold.

Sales of trade accounts receivable under the company's factoring programs for the years ended December 31:

(thousands)	2023	2022	2021	2024	2023	2022
Sales of accounts receivables under the factoring programs	$1,618,726	$1,612,909	$1,625,951	$928,279	$1,618,726	$1,612,909

Other amounts under the company's factoring programs as of December 31:

(thousands)	2023	2022	2024	2023
Receivables sold under the factoring programs that were uncollected	$ 375,940	$ 224,433	$182,432	$375,940

5. Supplier Finance Programs

At the request of certain of the company's suppliers, the company has entered into agreements ("supplier finance programs") with third-party finance providers, which facilitate the participating suppliers' ability to sell their receivables from the company to the third-party financial institutions, at the sole discretion of the suppliers. For agreeing to participate in these programs, the company seeks to secure improved standard payment terms with its suppliers. The company is not involved in negotiating terms of the arrangements between its suppliers and the financial institutions and has no economic interest in a supplier's decision to enter into these agreements, or sell receivables from the company. The company's rights and obligations to its suppliers, including amounts due, are not impacted by suppliers' decisions to sell amounts under the arrangements. However, the company agrees to make all payments to the third-party financial institutions, and the company's right to offset balances due from suppliers against payment obligations is restricted by the agreements for those payment obligations that have been sold by suppliers. These obligations are included in "Accounts payable" on the company's consolidated balance sheets and all activity related to the obligations is presented within operating activities on the consolidated statements of cash flows.

The following table is a rollforward roll forward of the company's outstanding obligations under its supplier finance programs:

(thousands)	2023	2024	2023
Obligations outstanding at the beginning of the year	$ 1,568,787	$ 1,113,479	$ 1,568,787
Invoices added during the year	4,388,317	4,576,839	4,388,317
Invoices paid during the year	(4,843,625)	(4,420,646)	(4,843,625)
Obligations outstanding at the end of the year	$ 1,113,479	$ 1,269,672	$ 1,113,479

Index

6. Debt

Short-term borrowings, including the current portion of long-term debt, consist of the following at December 31:

(thousands)	2023	2022	2024	2023
4.50% notes, due March 2023	$ —	$ 299,895		
3.25% notes, due September 2024	499,224	—	$ —	$ 499,224
Uncommitted lines of credit	—	78,000		
4.00% notes, due April 2025			349,808	—
Commercial paper	1,121,882	173,407	—	1,121,882
Other short-term borrowings	32,848	38,581	170	32,848
	$ 1,653,954	$ 589,883	$349,978	$1,653,954

The company has $500.0 million in uncommitted lines of credit. In May 2023, the company increased the borrowing capacity on its uncommitted lines from $200.0 million to $500.0 million. There were no outstanding borrowings under the uncommitted lines of credit at December 31, 2023 December 31, 2024 and $78.0 million in outstanding borrowings under the uncommitted lines of credit at December 31, 2022. 2023. These borrowings were provided on a short-term basis and the their maturity is agreed upon between the company and the lender. The uncommitted lines of credit had a weighted-average effective interest rate of 5.18% and 5.83% at December 31, 2024 and 5.22% at December 31, 2023 and 2022, 2023, respectively.

The company has a commercial paper program and the maximum aggregate balance of commercial paper outstanding may not exceed the borrowing capacity of $1.2 billion. Amounts outstanding under the commercial paper program are backstopped by available commitments under the company's revolving credit facility. There were $1.1 billion in outstanding borrowings under the commercial paper program at December 31, 2023 and $173.4 million in The company had no outstanding borrowings under this program as of December 31, 2022 at December 31, 2024 and $1.1 billion in outstanding borrowings at December 31, 2023. The commercial paper program had an a weighted-average effective interest rate of 5.21% and 5.90% at December 31, 2024 and 5.15% at December 31, 2023 and 2022, 2023, respectively.

Long-term debt consists of the following at December 31:

(thousands)	2023	2022
North American asset securitization program	$ 198,000	$ 1,235,000
3.25% notes, due 2024	—	498,122
4.00% notes, due 2025	349,061	348,344
6.125% notes, due 2026 (a)	497,661	—
7.50% senior debentures, due 2027	110,184	110,103
3.875% notes, due 2028	497,098	496,448
2.95% notes, due 2032	495,039	494,522
Other obligations with various interest rates and due dates	6,510	425
	$ 2,153,553	$ 3,182,964

(a) Upon issuance of the 6.125% notes due March 2026, the company entered into an interest rate swap, which effectively converts the 6.125% notes to floating rate notes based on the secured overnight financing rate ("SOFR") + 0.508%, or an effective interest rate of 5.87% at December 31, 2023.

(thousands)	2024	2023
Revolving credit facility	$ 30,000	$ —
North American asset securitization program	633,000	198,000
4.00% notes, due 2025	—	349,061
6.125% notes, due 2026	—	497,661
7.50% senior debentures, due 2027	110,266	110,184
3.875% notes, due 2028	497,775	497,098
5.15% notes, due 2029	495,209	—
2.95% notes, due 2032	495,576	495,039
5.875% notes, due 2034	494,986	—
Other obligations with various interest rates and due dates	16,971	6,510
	$ 2,773,783	$ 2,153,553

The 7.50% senior debentures are not redeemable prior to their maturity. All other notes may be called at the option of the company subject to "make whole" clauses.

The estimated fair market value of long-term debt at December 31, using quoted market prices, is as follows:

(thousands)	2023	2022	2024	2023
3.25% notes, due 2024	$ —	$ 481,500		
4.00% notes, due 2025	343,500	338,000	$ —	$343,500
6.125% notes, due 2026	502,000	—	—	502,000
7.50% senior debentures, due 2027	117,000	116,500	115,000	117,000
3.875% notes, due 2028	475,000	456,000	481,500	475,000
5.15% notes, due 2029			498,000	—
2.95% notes, due 2032	425,000	395,500	426,000	425,000
5.875% notes, due 2034			502,500	—

The carrying amount of the company's other short-term borrowings, 3.25% 4.00% notes due in 2024, 2025, revolving credit facility, North American asset securitization program, commercial paper, uncommitted lines of credit, and other obligations approximate their fair value.

The company has a $2.0 billion revolving credit facility maturing in September 2026. The facility may be used by the company for general corporate purposes including working capital in the ordinary course of business, letters of credit, repayment, prepayment or purchase of long-term indebtedness, acquisitions, and as support for the company's commercial paper program, as applicable. Interest on borrowings under the revolving credit facility is calculated using a base rate or SOFR, plus a spread (1.08% at December 31, 2023 December 31, 2024), which is based on the company's credit ratings, plus a credit spread adjustment of 0.10% or a weighted-average an effective interest rate of 6.42% 5.48% at December 31, 2023 December 31, 2024. The facility fee, which is based on the company's credit ratings, was 0.175% of the total borrowing capacity at December 31, 2023 December 31, 2024. The company had $30.0 million in outstanding borrowings under the revolving credit facility at December 31, 2024 and no outstanding borrowings under the revolving credit facility at December 31, 2023 and 2022. .

The company has a North American asset securitization program collateralized by accounts receivable of certain of its subsidiaries. The company may borrow up to $1.5 billion under the program which matures in September 2025. 2027. The program is conducted through Arrow Electronics Funding Corporation ("AFC"), AFC, a wholly-owned, bankruptcy remote subsidiary. The North American asset securitization program does not qualify for sale treatment. Accordingly, the accounts receivable and related debt obligation remain on the company's consolidated balance sheets. Interest on borrowings is calculated using a base rate plus a spread (0.40% at December 31, 2023 December 31, 2024), plus a credit spread adjustment of 0.10% or an effective interest rate of 5.85% 4.83% at December 31, 2023 December 31, 2024. The facility fee is 0.40% of the total borrowing capacity.

The company had $198.0 million $633.0 million and $1.2 billion $198.0 million in outstanding borrowings under the North American asset securitization program at December 31, 2023 December 31, 2024 and 2022, 2023, respectively, which was included in "Long-term debt" in the company's consolidated balance sheets. Total collateralized accounts receivable of approximately $2.7 billion $3.0 billion and $3.1 billion $2.7 billion were held by AFC and were included in “Accounts receivable, net” in on the company’s consolidated balance sheets at December 31, 2023 December 31, 2024 and 2022, 2023, respectively. Any accounts receivable held by AFC would likely not be available to other creditors of the company in the event of bankruptcy or insolvency proceedings of the company before repayment of any outstanding borrowings under the North American asset securitization program.

Both the revolving credit facility and North American asset securitization program include terms and conditions that limit the incurrence of additional borrowings and require that certain financial ratios be maintained at designated levels. As of December 31, 2023 December 31, 2024, the company was in compliance with all such financial covenants.

During the first third quarter of 2023, 2024, the company completed the sale of $500.0 million principal amount of 6.125% 5.15% notes, due in March 2026. The notes have a call option which allows for redemption at par, without penalty, on or after March 1, 2024. 2029. The net proceeds of the offering of $496.3 million $494.9 million were used for general corporate purposes and to repay the $300.0 million $500.0 million principal amount of its 4.50% 3.25% notes, due March 2023 and September 2024, which were redeemed at maturity.

During the second quarter of 2024, the company completed the sale of $500.0 million principal amount of 5.875% notes, due 2034. The net proceeds of the offering of $494.7 million were used for general corporate purposes.

During February 2022, purposes and to repay the company repaid $350.0 million $500.0 million principal amount of its 3.50% 6.125% notes, due 2026, which were redeemed in April 2022. 2024.

Annual payments of borrowings during each of the years 2024 2025 through 2028 2029 are $1.7 billion $350.1 million, $550.7 million $39.8 million, $503.2 million $747.3 million, $110.9 million $503.4 million, and $500.2 million $500.0 million, respectively, and $500.0 million $1.0 billion for all years thereafter.

Interest and other financing expense, net, includes interest and dividend income of $66.4 million $54.5 million, $33.7 million $66.4 million, and $14.7 million $33.7 million in 2024, 2023, 2022, and 2021, 2022, respectively. Interest paid, net of interest and dividend income, amounted to $274.1 million $199.0 million, $175.6 million $274.1 million, and $113.1 million $175.6 million in 2024, 2023, 2022, and 2021, 2022, respectively.

7. Financial Instruments Measured at Fair Value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The company utilizes a fair value hierarchy, which maximizes the use of observable inputs and

Index

minimizes the use of unobservable inputs when measuring fair value. The fair value hierarchy has three levels of inputs that may be used to measure fair value:

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
Level 2	Quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
Level 3	Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

Index

The following table presents assets (liabilities) measured at fair value on a recurring basis at December 31, 2023 December 31, 2024:

(thousands)	Balance Sheet Location	Level 1	Level 2	Level 3	Total	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Cash equivalents (a)	Cash and cash equivalents	$ 8,729	$ —	$ —	$ 8,729	Cash and cash equivalents	$10,751	$ —	$ —	$ 10,751
Equity investments (b)	Other assets	57,625	—	—	57,625	Other assets	42,907	—	—	42,907
Interest rate swap designated as fair value hedge	Other liabilities	—	(454)	—	(454)					
Foreign exchange contracts designated as net investment hedges	Other assets / other current assets	—	47,245	—	47,245	Other assets / other current assets	—	53,679	—	53,679
		$66,354	$46,791	$ —	$113,145		$53,658	$53,679	$ —	$107,337

The following table presents assets measured at fair value on a recurring basis at December 31, 2022 December 31, 2023:

(thousands)	Balance Sheet Location	Level 1	Level 2	Level 3	Total	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Cash equivalents (a)	Cash and cash equivalents / other current assets	$ 6,596	$ —	$ —	$ 6,596	Cash and cash equivalents	$ 8,729	$ —	$ —	$ 8,729
Equity investments (b)	Other assets	50,614	—	—	50,614	Other assets	57,625	—	—	57,625
Interest rate swaps designated as cash flow hedges	Other assets	—	55,942	—	55,942					
Interest rate swaps designated as fair value hedge						Other liabilities	—	(454)	—	(454)

Foreign exchange contracts designated as net investment hedges	Other assets / other current assets	—	60,962	—	60,962	Other assets / other current assets	—	47,245	—	47,245
		$57,210	$116,904	$ —	$174,114		$66,354	$46,791	$ —	$113,145

(a) Cash equivalents include highly liquid investments with an original maturity of less than three months.

(b) The company has an 8.4% approximately 9.0% equity ownership interest in Marubun Corporation and a portfolio of mutual funds with quoted market prices. During 2024, 2023, 2022, and 2021 2022, the company recorded unrealized gains (losses) of $(12.0) million, $9.7 million, and $(5.8) million, and $7.8 million, respectively, on equity securities held at the end of each year.

Assets and liabilities that are measured at fair value on a nonrecurring basis relate primarily to goodwill, and identifiable intangible assets (see Note 2). The company tests these assets for impairment if indicators of potential impairment exist or at least annually if indefinite-lived.

Derivative Instruments

The company uses various financial instruments, including derivative instruments, for purposes other than trading. Certain derivative instruments are designated at inception as hedges and measured assessed for effectiveness both at inception and on an ongoing basis. Derivative instruments not designated as hedges are carried at fair value on the consolidated balance sheets with changes in fair value recognized in earnings.

Interest Rate Swaps

The company manages the risk of variability in interest rates of future expected debt issuances by entering into various forward-starting interest rate swaps, designated as cash flow hedges. Changes in fair value of interest rate swaps designated as cash flow hedges are recorded in the shareholders' equity section in the company's consolidated balance sheets in "Accumulated other comprehensive loss" and will be reclassified into income over the life of the anticipated debt issuance or in the period the hedged forecasted cash flows are deemed no longer probable to occur. Reclassified gains and losses are recorded within the line item "Interest and other financing expense, net" in the consolidated statements of operations.

The fair value of interest rate swaps are estimated using a discounted cash flow analysis on the expected cash flows of each derivative using observable inputs including interest rate curves and credit spreads.

In June 2023, the company terminated its outstanding forward-starting interest rate swaps and received a cash payment of $56.7 million, which is reported in the "Cash flows from financing activities" section of the consolidated statements of cash flows. The In April 2024, the forecasted transactions related to the swaps continue to be probable to occur by December 31, 2025 bond issuance occurred, and the $56.7 million $56.7 million gain on will be amortized to "Interest and other financing expense, net" in the termination company's consolidated statement of operations over the 10-year life of the interest rate swaps will remain in "Accumulated other comprehensive loss" on the company's consolidated balance sheets.

Index

At December 31, 2022, the company had the following outstanding interest rate swaps designated as cash flow hedges:

Trade Date	Maturity Date	Notional Amount (thousands)		Weighted-Average Interest Rate	Date Range of Forecasted Transaction
April 2020	December 2024	$	300,000	0.97%	Jan 2023 - Dec 2025

bond.

The company occasionally enters into interest rate swap transactions, designated as fair value hedges, that convert certain fixed-rate debt to variable-rate debt in order to manage its targeted mix of fixed- and floating-rate debt. For qualifying interest rate fair value hedges, gains or losses on derivatives are included in "Interest and other financing expense, net" in the consolidated statements of operations. The change in fair value of the hedged item attributable to the risk being hedged is reported as an adjustment to its carrying value and is also included in "Interest and other financing expense, net". When a derivative is no longer designated as a hedge, any remaining difference between the carrying value and par value of the hedged item is amortized in "Interest and other financing expense, net" over the remaining life of the hedged item using the effective interest method. net."

At December 31, 2023, the company had one outstanding interest rate swap designated as a fair value hedge of its 6.125% notes due in March 2026, the terms of which are were as follows:

Trade Date	Maturity Date	Notional Amount (thousands)		Interest Rate due from Counterparty	Interest Rate due to Counterparty	Maturity Date	Notional Amount (thousands)		Weighted-Average Interest Rate	Interes Cou
February 2023	March 2026	$	500,000	6.125%	SOFR+0.508%	March 2026	$	500,000	6.125%	SOF

The In March 2024, the counterparty to cancelled the interest rate swap has and the option to cancel company de-designated the swaps after one year, without penalty. fair value hedging relationship.

Foreign Exchange Contracts

The company's foreign currency exposure relates primarily to international transactions where the currency collected from customers can be different from the currency used to purchase the product. The company's primary exposures to such transactions are denominated primarily in the following currencies: Euro and Indian Rupee, and Canadian Dollar. Rupee. The company enters into foreign exchange forward, option, or swap contracts (collectively, the "foreign exchange contracts") to facilitate the hedging of foreign currency exposures resulting from inventory purchases and sales and mitigate the impact of changes in foreign currency exchange rates related to these transactions. Foreign exchange contracts generally have terms of no more than six months. The company does not enter into foreign exchange contracts for trading purposes. The risk of loss on a foreign exchange contract is the risk of nonperformance by the counterparties, which the company minimizes by limiting its counterparties to major financial institutions. The fair value of the foreign exchange contracts is estimated using foreign currency spot rates and forward rates quotes by third-party financial institutions. The notional amount of the foreign exchange contracts inclusive of foreign exchange contracts designated as a net investment hedge at December 31, 2023 December 31, 2024 and 2022 2023 was $1.0 billion $1.1 billion and $1.3 billion $1.0 billion, respectively.

Gains and losses related to non-designated foreign currency exchange contracts are recorded in "Cost of sales" on the company's consolidated statements of operations. Gains and losses related to foreign currency exchange contracts designated as cash flow hedges are recorded in "Cost of sales," "Selling, general, and administrative, expenses," and "Interest and other financing expense, net" based upon the nature of the underlying hedged transaction, on the company's consolidated statements of operations. Gains or losses on these contracts are deferred and recognized when the underlying future purchase or sale is recognized or when the corresponding asset or liability is revalued, and were not material to the financial statements for the periods presented.

Index

The following foreign exchange contracts were designated as net investment hedges, hedging a portion of the company's net investments in subsidiaries with Euro-denominated net assets for the years ended December 31:

	Notional Amount (thousands)				Notional Amount (thousands)	
Maturity Date	**2023**		**2022**		**2024**	**2023**
March 2023	EUR	-	EUR	50,000		
September 2024	EUR	50,000	EUR	50,000	EUR -	EUR 50,000
April 2025	EUR	100,000	EUR	100,000	EUR 100,000	EUR 100,000
January 2028	EUR	100,000	EUR	100,000	EUR 100,000	EUR 100,000
Total	EUR	250,000	EUR	300,000	EUR 200,000	EUR 250,000

The change in the fair value of derivatives designated as net investment hedges are recorded in "foreign currency translation adjustment" ("CTA") CTA within "Accumulated other comprehensive loss" on the company's consolidated balance sheets. Amounts excluded from the assessment of hedge effectiveness are included in "Interest and other financing expense, net" on the company's consolidated statements of operations.

During the third quarter of 2024, a foreign exchange contract designated as a net investment hedge matured and the company received $10.6 million, which is reported in the "Cash flows from investing activities" section of the consolidated statements of cash flows.

During the first quarter of 2023, a foreign exchange contract designated as a net investment hedge matured and the company received $10.7 million, which is reported in the "Cash flows from investing activities" section of the consolidated statements of cash flows.

The effects of derivative instruments on the company's consolidated statements of operations and other comprehensive income are as follows for the years ended December 31:

(thousands)	**Income Statement Line**	**2023**	**2022**	**2021**	**Income Statement Line**	**2024**	**2023**	**2022**
Gain (Loss) Recognized in Income (Loss)								
Foreign exchange contracts, net investment hedge (a)	Interest Expense	$ 7,460	$ 8,805	$ 8,805	Interest Expense	$ 6,747	$ 7,460	$ 8,805
Interest rate swaps, cash flow hedge	Interest Expense	(2,889)	(3,586)	(3,087)	Interest Expense	593	(2,889)	(3,586)
Interest rate swap, fair value hedge (b)	Interest Expense	(454)	—	—	Interest Expense	454	(454)	—
Total		$ 4,117	$ 5,219	$ 5,718		$ 7,794	$ 4,117	$ 5,219
Gain (Loss) Recognized in Other Comprehensive Income (Loss) before reclassifications, net of tax								
Foreign exchange contracts, net investment hedge (b) (c)		$ (2,276)	$ 15,474	$ 21,133		$12,996	$(2,276)	$15,474
Interest rate swaps, cash flow hedge		585	25,937	19,232		(685)	585	25,937

Total	$ (1,691)	$ 41,411	$ 40,365	$12,311	$(1,691)	$41,411

(a) Represents derivative amounts excluded from the assessment of effectiveness for the net investment hedges reclassified from CTA to "Interest and other financing expenses, net". expense, net."

(b) The cumulative amount of fair value hedging adjustments to the carrying value of hedged debt instruments totaled a loss of $0.4 million during 2024, and a loss of $5.8 thousand during 2023, respectively. During the first quarter of 2024, the fair value hedge was terminated.

(c) Includes derivative gains (losses) gains excluded from the assessment of effectiveness for the net investment hedges and recognized in other comprehensive income, net of tax, of $(4.0) million, $(1.8) million, $1.8 million, and $(0.6) million $1.8 million for 2024, 2023, 2022, and 2021, 2022, respectively, which were excluded from the assessment of effectiveness for the net investment hedges and recognized in other comprehensive income (loss), net of tax.

Other

The carrying amount of "cash "Cash and cash equivalents", "accounts "Accounts receivable, net", and "accounts "Accounts payable" approximate their fair value due to the short maturities of these financial instruments.

Index

8. Income Taxes

The provision for income taxes for the years ended December 31 consists of the following:

(thousands)	2023	2022	2021	2024	2023	2022
Current:						
Federal	$ 33,832	$ 139,730	$ 68,555	$ (8,586)	$ 33,832	$139,730
State	16,108	29,117	18,418	3,352	16,108	29,117
International	299,031	293,195	214,184	200,912	299,031	293,195
	$ 348,971	$ 462,042	$ 301,157	$195,678	$348,971	$462,042
Deferred:						
Federal	$ (59,342)	$ (39,658)	$ (347)	$ (50,305)	$ (59,342)	$ (39,658)
State	(11,960)	(5,613)	(388)	(8,348)	(11,960)	(5,613)
International	(22,678)	32,221	25,484	(41,213)	(22,678)	32,221
	(93,980)	(13,050)	24,749	(99,866)	(93,980)	(13,050)
	$ 254,991	$ 448,992	$ 325,906	$ 95,812	$254,991	$448,992

The principal causes of the difference between the U.S. federal statutory tax rate of 21% and effective income tax rates for the years ended December 31 are as follows:

(thousands)	2023	2022	2021
United States	$ (38,848)	$ 517,642	$ 339,499
International	1,203,202	1,366,508	1,096,875
Income before income taxes	$ 1,164,354	$ 1,884,150	$ 1,436,374
Provision at statutory tax rate	$ 244,514	$ 395,672	$ 301,638
State taxes, net of federal benefit	2,379	18,675	14,162
International effective tax rate differential	27,993	26,210	(5,402)
Change in valuation allowance	(7,755)	(6,378)	(1,723)
Other non-deductible expenses	2,993	7,441	9,058
Changes in tax accruals	1,153	5,993	9,937
Tax credits	(7,666)	980	(17,555)
U.S. tax (benefit) on foreign earnings	(10,075)	3,879	10,289

Other	1,455	(3,480)	5,502
Provision for income taxes	$ 254,991	$ 448,992	$ 325,906

(thousands)	2024	2023	2022
United States	$ (234,972)	$ (38,848)	$ 517,642
International	724,291	1,203,202	1,366,508
Income before income taxes	$ 489,319	$ 1,164,354	$ 1,884,150
Provision at statutory tax rate	$ 102,757	$ 244,514	$ 395,672
State taxes, net of federal benefit	(3,279)	2,379	18,675
International effective tax rate differential	8,958	27,993	26,210
Change in valuation allowance	333	(7,755)	(6,378)
Other non-deductible expenses	(585)	2,993	7,441
Changes in tax accruals	(9,419)	1,153	5,993
Tax credits	(10,786)	(7,666)	980
U.S. tax (benefit) on foreign earnings	6,801	(10,075)	3,879
Other	1,032	1,455	(3,480)
Provision for income taxes	$ 95,812	$ 254,991	$ 448,992

The company is subject to taxation of global intangible low-taxed income (“GILTI”) GILTI on foreign subsidiaries and a tax provision to deduct a portion of foreign-derived intangible income (“FDII”) FDII of U.S. corporations. GILTI tax expense, accounted for as a current period cost, net of FDII benefit, resulted in a net tax expense (benefit) of $4.7 million, $23.0 million, ($7.4) million, and ($12.3) $(7.4) million during 2024, 2023, 2022, and 2021, 2022, respectively.

As of December 31, 2023 At December 31, 2024, a long-term short-term tax payable of $6.9 million was recorded in the consolidated balance sheets for a one-time transition tax on the foreign subsidiaries’ accumulated unremitted earnings related to the 2017 U.S. Tax Cuts and Jobs Act.

At December 31, 2023 December 31, 2024, the company had a liability for unrecognized tax positions of $82.8 million $64.0 million. The timing of the resolution of these uncertain tax positions is dependent on the tax authorities’ income tax examination processes. Material changes are not expected; however, it is possible that the amount of unrecognized tax benefits with respect to uncertain tax positions could increase or decrease during 2024. 2025. Currently, the company is unable to make a reasonable estimate of when tax cash settlement would occur and how it would impact the effective tax rate.

Index

A reconciliation of the beginning and ending amount of unrecognized tax benefits for the years ended December 31 is as follows:

(thousands)	2023	2022	2021	2024	2023	2022
Balance at beginning of year	$ 75,666	$ 71,422	$ 62,203	$ 82,808	$75,666	$71,422
Additions based on tax positions taken during a prior period	7,466	6,760	2,528	4,537	7,466	6,760
Reductions based on tax positions taken during a prior period	(4,448)	(3,007)	(1,542)	(20,245)	(4,448)	(3,007)
Additions based on tax positions taken during the current period	5,505	3,526	9,326	7,943	5,505	3,526
Reductions based on tax positions taken during the current period	—	—	(370)			
Reductions related to settlement of tax matters	—	(2,271)	(692)	(11,090)	—	(2,271)
Reductions related to a lapse of applicable statute of limitations	(1,381)	(764)	(31)	—	(1,381)	(764)

Balance at end of year	$ 82,808	$ 75,666	$ 71,422	$ 63,953	$82,808	$75,666

Interest costs related to unrecognized tax benefits are classified as a component of "Interest and other financing expense, net" in the company's consolidated statements of operations. In 2024, 2023, 2022, and 2021, 2022, the company recognized $4.0 million $5.9 million, $4.4 million $4.0 million, and $1.3 million $4.4 million, respectively, of interest expense related to unrecognized tax benefits. At December 31, 2023 December 31, 2024 and 2022, 2023, the company had accrued a liability of $17.5 million $23.5 million and $13.5 million $17.5 million, respectively, for interest related to unrecognized tax benefits.

In many cases the company's uncertain tax positions are related to tax years that remain subject to examination by tax authorities. The following describes the open tax years, by major tax jurisdiction, as of December 31, 2023 December 31, 2024:

United States - Federal	2016 - present
United States - States	2015 - present
Germany (a)	2015 2020 - present
China and Hong Kong	2016 2017 - present
Italy (a)	2013 - present
Netherlands	2018 - present
Sweden	2018 2019 - present
Taiwan	2018 - present
United Kingdom	2019 2020 - present

(a) Includes federal as well as local jurisdictions.

Deferred income taxes are provided for the effects of temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated balance sheets. These temporary differences result in taxable or deductible amounts in future years.

Index

Deferred tax assets and liabilities consist of the following at December 31:

(thousands)	2023	2022	2024	2023
Deferred tax assets:				
Net operating loss carryforwards	$ 17,987	$ 18,409	$ 16,567	$ 17,987
Capital loss carryforwards	—	56,618		
Inventory adjustments	68,542	46,188	110,370	68,542
Allowance for credit losses	27,637	25,779	20,475	27,637
Accrued expenses	73,251	35,940	86,964	73,251
Interest carryforward	4,170	4,014	21,923	4,170
Stock-based compensation awards	5,692	7,559	5,490	5,692
Lease liability	68,605	71,415	65,718	68,605
Research and experimentation costs (a)	59,277	33,426	73,971	59,277
Other	3,332	—	992	3,332
	328,493	299,348	402,470	328,493
Valuation allowance	(15,832)	(75,842)	(16,165)	(15,832)
Total deferred tax assets	$ 312,661	$ 223,506	$ 386,305	$ 312,661
Deferred tax liabilities:				
Goodwill	$ (152,551)	$ (144,287)	$(157,786)	$(152,551)

Depreciation	(58,419)	(76,527)	(42,540)	(58,419)
Intangible assets	—	(3,042)		
Lease right-of-use assets	(64,937)	(66,775)	(61,685)	(64,937)
Other comprehensive income items	(13,204)	(9,842)	(15,615)	(13,204)
Other	—	(3,002)		
Total deferred tax liabilities	$ (289,111)	$ (303,475)	$(277,626)	$(289,111)
Total net deferred tax assets (liabilities)	$ 23,550	$ (79,969)		
Total net deferred tax assets			$ 108,679	$ 23,550

(a) At December 31, 2023 December 31, 2024, and 2022, 2023, the company recorded deferred tax asset of $59.3 million $74.0 million and $33.4 million $59.3 million related to capitalized U.S. based research and experimental ("R&E") costs, pursuant to the U.S. Internal Revenue Code Section 174, as amended by the 2017 U.S. Tax Cuts and Jobs Act.

At December 31, 2023 December 31, 2024, the company had international tax loss carryforwards of approximately $31.8 million $30.3 million, of which $5.1 million $7.0 million have expiration dates ranging from 2024 2025 to 2043, 2044, and the remaining $26.7 million $23.3 million have no expiration date. Deferred tax assets related to these international tax loss carryforwards were $9.2 million $7.8 million with a corresponding valuation allowance of $2.6 million. At December 31, 2023 December 31, 2024, the company had a valuation allowance of $0.2 million $0.1 million related to other deferred tax assets.

As of December 31, 2023 At December 31, 2024, the company had deferred tax assets of approximately $8.8 million $8.7 million with a corresponding valuation allowance of $6.7 million $6.4 million, related to U.S. state net operating loss carryforwards. Valuation allowances are needed when deferred tax assets may not be realized due to the uncertainty of the timing and the ability of the company to generate sufficient future taxable income in certain tax jurisdictions.

At December 31, 2023 December 31, 2024, the company had approximately $4.8 $5.4 billion in undistributed foreign earnings which it deems to be indefinitely reinvested, and approximately $2.1 billion $2.0 billion in undistributed foreign earnings which it deems to be not permanently reinvested. The company recognizes that if it reverses its indefinite reinvestment assertion on $4.8 billion $5.4 billion of foreign earnings, it may be subject to additional foreign taxes and U.S. state income taxes.

Income taxes paid, net of income taxes refunded, amounted to $538.4 million $230.5 million, $384.4 million $538.4 million, and $221.1 million $384.4 million in 2024, 2023, 2022, and 2021, 2022, respectively.

Index

9. Restructuring, Integration, and Other Charges

Restructuring initiatives and integration costs are due to the company's continued efforts to lower costs, drive operational efficiency, integrate acquired businesses, and the consolidation of certain operations, as necessary. The following table presents the components of the restructuring, integration, and other charges for the years ended December 31:

(thousands)	**2023**	**2022**	**2021**	
Restructuring and integration charges	$ 8,877	$ 6,994	$16,673	
Other charges (credits)	75,039	6,747	(1,280)	
Restructuring, integration and related costs				
Operating Expense Efficiency Plan costs (a)				
Other plans				
Other expenses				
Operating expense reduction costs not related to restructuring initiatives (b)				Operating expense reduction costs not related to restructuring ini
Increases to environmental remediation liabilities (c)				

Early lease termination costs			
Consulting costs (d)			
Other charges			
	$83,916	$13,741	$15,393

(a) See details related to the Operating Expense Efficiency Plan discussed below.

(b) These costs are primarily related to the termination of personnel. As of December 31, 2024, the accrued liabilities related to these costs totaled $6.6 million and substantially all accrued amounts are expected to be spent in cash within one year.

(c) Refer to Note 15 for further discussion of environmental liabilities.

(d) Consulting costs are related to operating expense reduction costs not related to the restructuring initiative.

Operating Expense Efficiency Plan

On October 31, 2024, in response to evolving business needs and as part of an initiative to optimize operating expenses, the company announced a multi-year restructuring plan (the "Operating Expense Efficiency Plan" or "the Plan"). The Plan is designed to improve operational efficiency through the following measures: (i) reorganizing and consolidating certain areas of the company's operations to centralize functions and streamline resources, with a focus on more cost-efficient regions; (ii) enhancing warehouse and logistics operations; (iii) investing in information technology to support automation and process improvements; (iv) consolidating the company's global real estate footprint; (v) reducing third-party spending; and (vi) winding down certain non-core businesses that are not aligned with the company's strategic objectives. The company expects to substantially complete the Plan by the end of fiscal year 2026, subject to, among other things, local legal and consultation requirements.

Restructuring Under the Plan, the company expects to incur pre-tax restructuring charges of approximately $185.0 million, consisting of approximately $110.0 million of employee severance and Integration Accruals other personnel cash expenditures; approximately $50.0 million of non-cash asset impairments, accelerated depreciation and inventory write-downs related to the wind-down of certain business operations; and approximately $25.0 million of other related cash expenditures. As a result of the company's philosophy of maximizing operating efficiencies through the centralization of certain functions, restructuring, integration, and related costs are included in the corporate line item for management and segment reporting as they are not attributable to the individual reportable segments.

The following table presents the activity in costs related to the restructuring and integration accruals for the year ended December 31, 2023: Operating Expense Efficiency Plan:

(thousands)	Total
Balance at December 31, 2022	$ 6,929
Restructuring and integration charges	8,877
Payments	(9,371)
Foreign currency translation	(548)
Balance at December 31, 2023	$ 5,887

Substantially all amounts accrued at December 31, 2023, and all restructuring and integration charges for the year ending December 31, 2023 relate to the termination of personnel and are expected to be spent in cash within one year.

Other Charges (Credits)

Other charges for 2023 include $29.4 million related to early lease terminations, $23.3 million related to an increase in environmental liabilities (see Note 15) and personnel charges of $19.1 million related to operating expense reduction initiatives.

(thousands)	Income Statement line	Year Ended December 31, 2024	Total Cost Incurred to Date
Employee severance and benefit costs	Restructuring, integration, and other	$ 1,348	$ 1,348
Inventory write-downs	Cost of sales	50,344	50,344
Asset impairments	Restructuring, integration, and other	1,416	1,416
Other costs (a)	Restructuring, integration, and other	7,515	7,515
		$ 60,623	$ 60,623

(a) Other costs consist primarily of consulting and other professional fees and lease terminations.

Index

The following table presents the activity in the restructuring and integration accruals related to the Operating Expense Efficiency Plan:

(thousands)	Employee severance and benefit costs	Inventory write-downs and asset impairments	Other costs	Total
Balance at December 31, 2023	$ -	$ -	$ -	$ -
Restructuring related charges	1,348	51,760	7,515	60,623
Asset write-offs and other non-cash activity	-	(51,760)	(177)	(51,937)
Cash payments	(964)	-	(7,136)	(8,100)
Balance at December 31, 2024	$ 384	$ -	$ 202	$ 586

Substantially all amounts accrued at December 31, 2024 related to the Operating Expense Efficiency Plan are expected to be paid in cash within one year.

10. Shareholders' Equity

Accumulated Other Comprehensive Loss

The following table presents the changes in Accumulated other comprehensive loss, excluding noncontrolling interests:

(thousands)	Foreign Currency Translation Adjustment and Other, Net	Gain (Loss) on Foreign Exchange Contracts Designated as Net Investment Hedges, Net	Gain (Loss) on Interest Rate Swaps Designated as Cash Flow Hedges, Net	Employee Benefit Plan Items, Net	Total	Foreign Currency Translation Adjustment and Other, Net	Gain (Loss) on Foreign Exchange Contracts Designated as Net Investment Hedges, Net	Gain (Loss) on Interest Rate Swaps Designated as Cash Flow Hedges, Net	Employee Benefit Plan Items, Net	Total
Balance as of December 31, 2021	$ (192,939)	$ 11,332	$ (809)	$ (9,241)	$(191,657)					
Other comprehensive income (loss) before reclassifications (a)	(228,303)	15,474	25,937	17,245	(169,647)					
Amounts reclassified into income	(1,469)	(6,695)	2,727	1,479	(3,958)					

Net change in accumulated other comprehensive income (loss) for the year ended December 31, 2022	(229,772)	8,779	28,664	18,724	(173,605)					
Balance as of December 31, 2022	(422,711)	20,111	27,855	9,483	(365,262)	$ (422,711)	$ 20,111	$ 27,855	$ 9,483	$(365,262)
Other comprehensive income (loss) before reclassifications (a)	72,949	(2,276)	585	(1,011)	70,247	72,949	(2,276)	585	(1,011)	70,247
Amounts reclassified into income	720	(5,676)	2,198	(266)	(3,024)	720	(5,676)	2,198	(266)	(3,024)
Net change in accumulated other comprehensive income (loss) for the year ended December 31, 2023	73,669	(7,952)	2,783	(1,277)	67,223	73,669	(7,952)	2,783	(1,277)	67,223
Balance as of December 31, 2023	$ (349,042)	$ 12,159	$ 30,638	$ 8,206	$(298,039)	(349,042)	12,159	30,638	8,206	(298,039)
Other comprehensive income (loss) before reclassifications (a)						(222,489)	12,996	(685)	5,027	(205,151)
Amounts reclassified into income						(317)	(5,137)	(452)	(173)	(6,079)
Net change in accumulated other comprehensive income (loss) for the year ended December 31, 2024						(222,806)	7,859	(1,137)	4,854	(211,230)
Balance as of December 31, 2024						$ (571,848)	$ 20,018	$ 29,501	$ 13,060	$(509,269)

(a) Foreign currency translation adjustment includes intra-entity foreign currency transactions that are of a long-term investment nature of $(52.9) million and $21.2 million for 2024 and ($21.6) million for 2023, and 2022, respectively.

Common Stock Outstanding Activity

The following table sets forth the activity in the number of shares outstanding:

(thousands)	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Common stock outstanding at December 31, 2020	125,424	50,581	74,843
Shares issued for stock-based compensation awards	—	(945)	945
Repurchases of common stock	—	7,722	(7,722)
Common stock outstanding at December 31, 2021	125,424	57,358	68,066
Shares issued for stock-based compensation awards	—	(525)	525
Repurchases of common stock	—	9,342	(9,342)
Common stock outstanding at December 31, 2022	125,424	66,175	59,249
Shares issued for stock-based compensation awards	—	(653)	653
Repurchases of common stock	—	6,091	(6,091)
Retirement of treasury shares	(67,733)	(67,733)	—
Common stock outstanding at December 31, 2023	57,691	3,880	53,811

During the year ended December 31, 2023, the company retired 67.7 million shares of treasury stock with a cost of $5.1 billion. The company has 2.0 billion authorized shares of serial preferred stock with a par value of one dollar. There were no shares of serial preferred stock outstanding at December 31, 2023 and 2022.

Index

Common Stock Outstanding Activity

The following table sets forth the activity in the number of shares outstanding:

(thousands)	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Common stock outstanding at December 31, 2021	125,424	57,358	68,066
Shares issued for stock-based compensation awards	—	(525)	525
Repurchases of common stock	—	9,342	(9,342)
Common stock outstanding at December 31, 2022	125,424	66,175	59,249
Shares issued for stock-based compensation awards	—	(653)	653
Repurchases of common stock	—	6,091	(6,091)
Retirement of treasury stock	(67,733)	(67,733)	—
Common stock outstanding at December 31, 2023	57,691	3,880	53,811
Shares issued for stock-based compensation awards	375	(75)	450
Repurchases of common stock	—	2,089	(2,089)
Retirement of treasury stock	(2,474)	(2,474)	—
Common stock outstanding at December 31, 2024	55,592	3,420	52,172

During the year ended December 31, 2024, the company retired 2.5 million shares of treasury stock with a cost of $228.8 million. During the year ended December 31, 2023, the company retired 67.7 million shares of treasury stock with a cost of $5.1 billion. The company has 2.0 million authorized shares of serial preferred stock with a par value of one dollar. There were no shares of serial preferred stock outstanding at December 31, 2024 and 2023.

Share-Repurchase Programs

The following table shows the company's share-repurchase programs as of December 31, 2023 December 31, 2024:

Share-Repurchase Details by Month of Board Approval (thousands)	Dollar Value Approved for Repurchase	Dollar Value of Shares Repurchased	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program
July 2021	$ 600,000	$ 600,000	$ —
December 2021	600,000	600,000	—
September 2022	600,000	600,000	—
January 2023	1,000,000	423,846	576,154
Total (a)	$ 2,800,000	$ 2,223,846	$ 576,154

(a) The dollar value of shares repurchased includes an accrual of $6.6 million for excise taxes during 2023 which is recorded within "Treasury Stock" on the company's consolidated balance sheets.

Share-Repurchase Details by Month of Board Approval (thousands)	Dollar Value Approved for Repurchase	Dollar Value of Shares Repurchased	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program
September 2022	$ 600,000	$ 600,000	$ —
January 2023	1,000,000	675,937	324,063
Total	$ 1,600,000	$ 1,275,937	$ 324,063

The company repurchased 6.1 million 2.0 million shares and 9.3 million 6.1 million shares of common stock for $745.9 million $250.0 million and $1.0 billion $745.9 million, in 2023 2024 and 2022, 2023, respectively, under the share-repurchase program excluding excise taxes. On January 31, 2023, During 2024, the company accrued $2.1 million of excise tax, which is recorded within "Treasury stock" on the company's Board consolidated balance sheets and reduces the share-repurchase authorization, as the excise tax is a part of Directors approved a $1.0 billion increase to the company's share-repurchase program. overall cost of acquiring treasury shares. As of December 31, 2023 December 31, 2024, approximately $576.2 million $324.1 million remained available for repurchase under the share-repurchase program. The company's share-repurchase program does not have an expiration date.

11. Net Income Per Share

Basic net income per share is computed by dividing net income attributable to shareholders by the weighted-average number of common shares outstanding for the period. Diluted net income per share reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock. The dilutive effect of equity awards is calculated using the treasury stock method.

Index

11. Net Income Per Share

The following table presents the computation of net income per share on a basic and diluted basis for the years ended December 31:

(thousands except per share data)	2023	2022	2021	2024	2023	2022
Net income attributable to shareholders	$ 903,505	$ 1,426,884	$ 1,108,197	$392,074	$903,505	$1,426,884

Weighted-average shares outstanding - basic	56,359	64,838	72,472	53,282	56,359	64,838
Net effect of various dilutive stock-based compensation awards	676	615	913	515	676	615
Weighted-average shares outstanding - diluted	57,035	65,453	73,385	53,797	57,035	65,453
Net income per share:						
Basic	$ 16.03	$ 22.01	$ 15.29	$ 7.36	$ 16.03	$ 22.01
Diluted (a)	$ 15.84	$ 21.80	$ 15.10	$ 7.29	$ 15.84	$ 21.80
(a) Equity awards excluded from diluted net income per share as their effect would have been anti-dilutive	32	53	—	16	32	53

12. Employee Stock Plans

Omnibus Plan

The company maintains the Arrow Electronics, Inc. 2004 Omnibus Incentive Plan, (the "Omnibus Plan"), which provides an array of equity alternatives available to the company when designing compensation incentives. The Omnibus Plan permits the grant of cash-based awards, non-qualified stock options, incentive stock options ("ISOs"), ISOs, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, covered employee annual incentive awards, and other stock-based awards. The Compensation Committee of the company's Board of Directors (the "Compensation Committee") determines the vesting requirements, termination provision, and the terms of the award for any awards under the Omnibus Plan when such awards are issued.

Under the terms of the Omnibus Plan, a maximum of 24.0 million shares of common stock may be awarded. There were 5.0 million 4.4 million shares and 5.6 million 5.0 million shares available for grant under the Omnibus Plan as of December 31, 2023 December 31, 2024, and 2022, 2023, respectively. Generally, shares are counted against the authorization only to the extent that they are issued. Restricted

Index

stock, restricted stock units, performance shares, and performance units count against the authorization at a rate of 1.69 to 1.

The company records share-based payment awards exchanged for employee services at fair value on the date of grant and expenses the awards in the consolidated statements of operations on a straight-line basis over the requisite employee service period. Stock-based compensation expense includes an estimate for forfeitures. The company recorded, as a component of "Selling, general, and administrative expenses," amortization of stock-based compensation of $41.6 million $34.6 million, $42.9 million $41.6 million, and $36.1 million $42.9 million in 2024, 2023, 2022, and 2021, 2022, respectively. The actual tax benefit realized from share-based payment awards during 2024, 2023, and 2022 and 2021 was $5.6 million, $8.9 million, $5.9 million, and $8.6 million $5.9 million, respectively.

Stock Options

Under the Omnibus Plan, the company may grant both ISOs and non-qualified stock options. ISOs may only be granted to employees of the company, its subsidiaries, and its affiliates. The exercise price for options cannot be less than the fair market value of Arrow's common stock on the date of grant. Options generally vest in equal installments over a four-year period. Options currently outstanding have contractual terms of ten years. The company did has not grant granted non-qualified stock options or ISOs since 2020 and does not intend to grant them in the future.

Index

The following information relates to the stock option activity for the year ended December 31, 2023 December 31, 2024:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value (thousands)	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value (thousands)
Outstanding at December 31, 2022	568,319	$ 76.65						
Outstanding at December 31, 2023					322,252	$ 76.73		
Exercised	(235,612)	74.75			(71,187)	76.63		
Forfeited	(10,455)	79.28			(1,520)	79.22		
Outstanding at December 31, 2023	322,252	76.73	55 months	$ 14,668				
Exercisable at December 31, 2023	272,555	$ 76.28	52 months	$ 12,529				
Outstanding at December 31, 2024					249,545	76.75	42 months	$ 9,076
Exercisable at December 31, 2024					249,090	$ 76.74	42 months	$ 9,061

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between the company's closing stock price on the last trading day of 2023 2024 and the exercise price, multiplied by the number of in-the-money options) received by the option holders had all option holders exercised their options on December 31, 2023 December 31, 2024. This amount changes based on the market value of the company's stock.

The total intrinsic value of options exercised during 2024, 2023, and 2022 and 2021 was $3.3 million, $12.5 million, $10.0 million, and $26.6 million $10.0 million, respectively.

Cash received from option exercises during 2024, 2023, and 2022 and 2021 was $5.4 million, $17.0 million, $17.3 million, and $47.0 million $17.3 million, respectively, and is included within the financing activities section in the company's consolidated statements of cash flows.

Performance Awards

The Compensation Committee, subject to the terms and conditions of the Omnibus Plan, may grant performance share and/or performance unit awards (collectively "performance awards"). The grant date fair value of a performance award is the fair market value of the company's common stock on the date of grant. Such awards will be earned only if performance goals over performance periods established by or under the direction of the Compensation Committee are met. The performance goals and periods may vary from participant-to-participant, group-to-group, and time-to-time. The performance awards will be delivered in common stock at the end of the service period based on the company's actual performance compared to the target metric and may be from 0% to 185% of the initial award. Compensation expense is recognized using the graded vesting method over the three-year service period and is adjusted each period based on the current estimate of performance compared to the target metric.

Index

Restricted Stock

Subject to the terms and conditions of the Omnibus Plan, the Compensation Committee may grant shares of restricted stock and/or restricted stock units. The grant date fair value of a restricted stock unit is the fair market value of the company's common stock on the date of grant. Restricted stock units are similar to restricted stock except that no shares are actually awarded to the participant on the date of grant. Shares of restricted stock and/or restricted stock units awarded under the Omnibus Plan may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable period of restriction established by the Compensation Committee and specified in the award agreement (and in the case of restricted stock units until the date of delivery or other payment). Compensation expense is recognized on a straight-line basis as shares become free of forfeiture restrictions (i.e. vest) generally over a four-year period.

Non-Employee Director Awards

The company's Board shall set sets the amounts and types of equity awards that shall be are granted to all non-employee directors on a periodic, nondiscriminatory basis pursuant to the Omnibus Plan, as well as any additional amounts, if any, to be awarded, also on a periodic, nondiscriminatory basis, based on each of the following: the number of committees of the Board on which a non-employee director serves, service of a non-employee director as the chair of a Committee of the Board, service

of a non-employee director as Chairman of the Board or Lead Independent Director, or the first selection or appointment of an individual to the Board as a non-employee director. As of May 2023, Currently, non-employee directors receive annual awards of restricted stock units valued at $0.2 million with an additional amount for the non-employee director serving as board chair. Starting in 2022, the The restricted stock units have a vesting period of one-year. around one-year and non-employee directors may elect to settle such awards (i) on the first anniversary of the grant date or (ii) following such director's separation from service provided that they continuously served on the Board from the grant date through the vesting date. All restricted stock units are settled in common stock following the director's separation from the Board. one to one.

Unless a non-employee director gives notice setting forth a different percentage, 50% of each director's annual retainer fee is deferred and converted into units based on the fair market value of the company's stock as of the date it was payable. A non-employee director can choose between one-year cliff vesting or keep the deferral until payable and paid upon separation of service from the Board provided such director continuously served on the Board from the grant date through the vesting date. After separation from the Board, the deferral will be converted into a share of company stock and distributed to the non-employee director as soon as practicable following such date. Board.

Summary of Non-Vested Shares

The following information summarizes the changes in non-vested performance shares, performance units, restricted stock, and restricted stock units for 2023: 2024:

	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Non-vested shares at December 31, 2022	927,662	$ 103.61		
Non-vested shares at December 31, 2023			820,220	$ 117.84
Granted	415,001	117.91	401,602	115.73
Vested	(463,056)	77.18	(337,945)	109.77
Forfeited	(59,387)	114.78	(43,178)	122.68
Non-vested shares at December 31, 2023	820,220	$ 124.95		
Non-vested shares at December 31, 2024			840,699	$ 119.83

The total fair value of shares vested during 2024, 2023, and 2022 and 2021 was $50.9 million $39.5 million, $47.3 million $57.0 million, and $37.3 million $47.3 million, respectively.

As of December 31, 2023 December 31, 2024, there was $33.9 million $31.8 million of total unrecognized compensation cost related to non-vested shares and stock options which is expected to be recognized over a weighted-average period of 2.2 years.

Index

13. Employee Benefit Plans

The company maintains an unfunded Arrow supplemental executive retirement plan (“SERP”) SERP under which the company will pay supplemental pension benefits to certain employees upon retirement. As of December 31, 2023 December 31, 2024, there were 12 10 current and 25 26 former corporate officers participating in this plan. The Board determines those employees who are eligible to participate in the Arrow SERP.

The Arrow SERP, as amended, provides for the pension benefits to be based on a percentage of average final compensation, based on years of participation in the Arrow SERP. The Arrow SERP permits early retirement, with payments at a reduced rate, based on age and years of service subject to a minimum retirement age of 55.

Index

The company uses a December 31 measurement date for the Arrow SERP benefit plan. Pension information for the years ended December 31 is as follows:

	Arrow SERP		Arrow SERP	
(thousands)	**2023**	**2022**	**2024**	**2023**
Accumulated benefit obligation	$ 77,737	$ 74,438	$ 74,530	$ 77,737
Changes in projected benefit obligation:				
Projected benefit obligation at beginning of year	84,148	105,474	88,084	84,148
Service cost	3,250	3,296	3,193	3,250
Interest cost	4,082	2,782	4,081	4,082
Actuarial loss (gain)	1,328	(25,709)		
Actuarial (gain) loss			(6,602)	1,328
Benefits paid	(4,724)	(4,724)	(5,724)	(4,724)
Plan amendments	—	3,029		
Projected benefit obligation at end of year	88,084	84,148	83,032	88,084
Funded status	$ (88,084)	$ (84,148)	$(83,032)	$(88,084)
Amounts recognized in the company's consolidated balance sheets:				
Current liabilities	$ (6,186)	$ (5,084)	$ (6,168)	$ (6,186)
Noncurrent liabilities	(81,898)	(79,064)	(76,864)	(81,898)
Net liability at end of year	$ (88,084)	$ (84,148)	$(83,032)	$(88,084)
Components of net periodic pension cost:				
Service cost	$ 3,250	$ 3,296	$ 3,193	$ 3,250
Interest cost	4,082	2,782	4,081	4,082

Amortization of prior service cost	336	—	337	336
Amortization of net loss	(668)	776	(164)	(668)
Net periodic pension cost	$ 7,000	$ 6,854	$ 7,447	$ 7,000
Weighted-average assumptions used to determine benefit obligation:				
Discount rate	4.80 %	5.00 %	5.50 %	4.80 %
Rate of compensation increase	5.00 %	5.00 %	5.00 %	5.00 %
Expected return on plan assets	N/A	N/A	N/A	N/A
Weighted-average assumptions used to determine net periodic pension cost:				
Discount rate	5.00 %	2.70 %	4.80 %	5.00 %
Rate of compensation increase	5.00 %	5.00 %	5.00 %	5.00 %
Expected return on plan assets	N/A	N/A	N/A	N/A

The amounts reported for net periodic pension cost and the respective benefit obligation amounts are dependent upon the actuarial assumptions used. The company reviews historical trends, future expectations, current market conditions, and external data to determine the assumptions. The discount rate represents the market rate for a high-quality corporate bond. The rate of compensation increase is determined by the company, based upon its long-term plans for such increases. The actuarial assumptions used to determine the net periodic pension cost are based upon the prior year's assumptions used to determine the benefit obligation.

72

Index

Benefit payments are expected to be paid as follows:

(thousands)	Arrow SERP	Arrow SERP
2024	$ 6,186	
2025	6,076	$ 6,168
2026	6,238	6,318
2027	6,109	6,183
2028	6,136	6,201
2029 - 2033	36,358	
2029		6,792
2030 - 2034		36,382

As of December 31, 2023 December 31, 2024, the company had designated $114.9 million $115.7 million in assets to cover the ongoing costs of SERP payouts for both current and former executives. These assets were comprised primarily of life insurance policies and mutual fund investments, and $111.2 million $114.4 million of these investments were held in a rabbi trust. Contributions to the rabbi trust are irrevocable by the company. In the event of bankruptcy by the company, the assets held by the rabbi trust are subject to claims made by the company's creditors.

78

Index

Other Comprehensive Income Items

In 2023, 2022, and 2021, actuarial (losses) gains of $(1.0) million, $19.5 million, and $4.2 million, respectively, were recognized in The following table presents the other comprehensive income net of related taxes, related to items for the Arrow SERP. In 2022, prior service (costs) of $(2.3) million were recognized in other comprehensive income, net of taxes. In 2023, 2022, and 2021, a reclassification adjustment of comprehensive income was recognized, net of related taxes, as a result of being recognized in net periodic pension cost for an actuarial (gain) loss of $(0.5) million, $0.6 million, and $1.9 million, respectively. In 2023, a reclassification adjustment of comprehensive income was recognized, net of related taxes, as a result of being recognized in net periodic pension cost for prior service costs of $0.3 million. years ended December 31:

(thousands)	2024	2023	2022
Actuarial (loss) gains, net of tax	$ 5,027	$ (1,011)	$ 19,548
Reclassification of actuarial loss (gain), net of tax (a)	(125)	(508)	590
Prior service (costs), net of tax	—	—	(2,304)
Reclassification of prior service costs, net of tax	256	256	—

Accumulated other comprehensive income (loss) at December 31, 2023 December 31, 2024 and 2022 2023 includes unrecognized actuarial gains, net of related taxes, of $7.3 million $12.2 million and $8.8 million $7.3 million, respectively, that have not yet been recognized in net periodic pension cost. Accumulated other comprehensive income (loss) at December 31, 2023 December 31, 2024 and 2023 includes prior service (costs), net of related taxes, of $2.0 million $(1.8) million and $(2.0) million, respectively, that have not yet been recognized in net periodic pension cost.

Defined Contribution Plans

The company has defined contribution plans for eligible employees, which qualify under Section 401(k) of the Internal Revenue Code. The company's contribution to the plans, which are based on a specified percentage of employee contributions, amounted to $21.2 million $20.1 million, $20.3 million $21.2 million, and $19.1 million $20.3 million in 2024, 2023, 2022, and 2021, 2022, respectively. Certain international subsidiaries maintain separate defined contribution plans for their employees and made contributions thereunder, which amounted to $22.6 million $22.4 million, $22.1 million $22.6 million, and $23.0 million $22.1 million in 2024, 2023, and 2022, and 2021, respectively.

14. Lease Commitments

The company leases certain offices, distribution centers, and other property under non-cancellable operating leases expiring at various dates through 2032. 2036. Substantially all leases are classified as operating leases. The company recorded operating lease costs of $93.4 million $98.0 million, $92.0 million $93.4 million, and $97.4 million $92.0 million in 2024, 2023, and 2022, and 2021, respectively.

During 2023, the company recorded net charges of $29.4 million related to early lease terminations in "Restructuring, integration, and other charges" on the company's consolidated statements of operations.

Index

The following amounts were recorded in the consolidated balance sheets at December 31:

(thousands)	2023	2022	2024	2023
Operating Leases				
Right-of-use asset	$ 269,524	$ 277,554	$251,129	$269,524
Lease liability - current	74,232	69,469	$ 68,941	$ 74,232
Lease liability - non-current	210,110	227,044	198,466	210,110
Total operating lease liabilities	$ 284,342	$ 296,513	$267,407	$284,342

Maturities of operating lease liabilities at December 31 were as follows:

(thousands)	2023	2024
2024	$ 83,637	
2025	64,042	$ 77,607
2026	50,696	63,279
2027	41,223	53,911
2028	33,491	43,888
2029		23,085
Thereafter	47,675	39,252
Total lease payments	320,764	301,022
Less: imputed interest	(36,422)	(33,615)
Total	$ 284,342	$267,407

Other information pertaining to leases consists of the following for the year ended December 31:

(thousands)	2023	2022	2024	2023
Supplemental Cash Flow Information				
Cash paid for amounts included in the measurement of operating lease liabilities	$ 91,797	$ 88,235	$ 94,829	$ 91,797
Right-of-use assets obtained in exchange for operating lease obligations	74,356	104,210	62,583	74,356
Operating Lease Term and Discount Rate				
Weighted-average remaining lease term in years	5 years	6 years	5 years	5 years
Weighted-average discount rate	4.6%	4.3%	5.4%	4.6%

15. Contingencies

Environmental Matters

In connection with the purchase The Company has accrued liabilities of Wyle Electronics (“Wyle”) $24.7 million for ongoing environmental remediation efforts at sites in August 2000, the company entered into a settlement agreement under which the company accepted responsibility for any potential subsequent costs incurred for environmental clean-up associated with any then-existing contamination or violation of environmental regulations. The company is aware of two facilities (in Huntsville, Alabama (the “Huntsville Site” site”) and Norco, California (the “Norco Site”) site”) at which contaminated soil and groundwater was identified identified. The contamination related to activities of certain subsidiaries which ended prior to 2000. Remediation efforts began in 2015 and required environmental remediation.

As successor-in-interest to Wyle, the company is the beneficiary of various Wyle insurance policies that covered liabilities arising out of operations at Norco and Huntsville. To date, the company has recovered approximately $47.2 million from certain insurance carriers relating to environmental clean-up matters 2003 at the Huntsville site and Norco site, respectively, and Huntsville sites, and continues to pursue additional recoveries from one insurer related solely to the Huntsville site. The company has not recorded a receivable for any potential future insurance recoveries related to the Norco and Huntsville are progressing under action plans monitored by local environmental matters, as the realization of the claims for recovery are not deemed probable at this time. agencies.

Costs are recorded for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Environmental liabilities are included in “Accrued expenses” and “Other liabilities” “Other liabilities” on the company’s consolidated balance sheets. The company has determined that there is no amount within the environmental liability ranges discussed below, that is a better estimate than any other amount, and therefore has recorded

Index

the accruals at the minimum amount of the ranges. The liabilities were estimated based on current costs and are not discounted. The Environmental costs related to these environmental matters (referred to as “environmental costs”) include remediation, project management, regulatory oversight, and investigative and feasibility study activities.

To date, the company has spent approximately $9.1 million and $86.5 million related to environmental costs at the Huntsville site and the Norco site, respectively. The subsequent environmental costs at the Huntsville site are estimated to be between $5.3 million and $17.0 million and at the Norco site they are estimated to be between $19.4 million and $35.5 million.

The company expects the liabilities associated with such ongoing remediation to be resolved over an extended period of time and the with current estimates extending beyond 2040. The accruals for environmental liabilities are adjusted periodically as facts and circumstances change, assessment and remediation efforts progress, or as additional technical or legal information becomes available. Environmental liabilities are difficult to assess and estimate due to various unknown factors such as the timing and extent of remediation, the efficacy and long-term costs of remediation, improvements in remediation technologies, orders by administrative agencies, and the extent to which environmental laws and regulations may change in the future. Accordingly, the company cannot presently estimate the ultimate potential costs related to either of the Huntsville and Norco two sites.

The During 2023, the company recorded charges of $23.3 million and $2.5 million during 2023 and 2022, respectively, related to increases in the environmental liabilities for the Norco Huntsville and Huntsville Norco sites. These costs are included in “Restructuring, “Restructuring, integration, and other charges”” on the company’s consolidated statements of operations.

Environmental Matters - Huntsville

In February 2015, To date, the company has recovered approximately $47.3 million from certain insurance carriers relating to environmental clean-up matters at these sites and the Alabama Department of Environmental Management (“ADEM”) finalized and executed a consent decree in connection with continues to pursue additional recoveries from one insurer related solely to the Huntsville Site. Characterization of the extent of contaminated soil and groundwater is complete and site. The company has been approved by ADEM. Health-risk evaluations and not recorded a Corrective Action Development Plan were approved by ADEM in 2018, opening the way receivable for pilot testing of on-site remediation in late 2019. Due to the effectiveness of the pilot testing, the pilot testing process has been expanded and remains underway with annual application of bioremediation reagents, semi-annual groundwater monitoring, as well as data collection to direct any potential future bioremediation injections. Approximately $8.7 million has been spent to date. The subsequent environmental costs at the site are estimated to be between $5.7 million and $17.4 million.

Environmental Matters - Norco

In October 2003, the company entered into a consent decree with Wyle Laboratories and the California Department of Toxic Substance Control (“DTSC”) in connection with the Norco Site. In September 2013, the DTSC approved the final Remedial Action Plan (“RAP”) for actions in five on-site areas and one off-site area. As of 2018, the remediation measures described in the RAP had been implemented. Routine progress monitoring of groundwater and soil gas continue on-site and off-site. Approximately $83.1 million has been spent to date. The subsequent environmental costs at the site are estimated to be between $22.1 million and $38.3 million. insurance recoveries.

It is reasonably possible that the company will need to adjust the liabilities noted above for the Norco and Huntsville sites to reflect the effects of new or additional information, to the extent that such information impacts the costs, timing, or duration of the required actions.

Index

Future changes in estimates of the costs, timing, or duration of the required actions could have a material adverse effect on the company's consolidated financial position, results of operations, or cash flows.

Other

During 2023, and 2021, the company received $62.2 million and $12.5 million, respectively, in settlement fundsbenefits in connection with claims filed against certain manufacturers of aluminum, tantalum, and film capacitors who allegedly colluded to fix the price of capacitors from 2001 through 2014. These amounts were recorded as a reduction to "Selling, general, and administrative expenses" administrative" in the company's consolidated statements of operations.

From time to time, in the normal course of business, the company may become liable with respect to other pending and threatened litigation, environmental, regulatory, trade compliance, labor, product, and tax matters. While such matters are subject to inherent uncertainties, it is not currently anticipated that any such matters will materially impact the company's consolidated financial position, liquidity, or results of operations.

Index

16. Segment and Geographic Information

The company is a global provider of products, services, and solutions to industrial and commercial users of electronic components and enterprise computing solutions. The company has one organizes its operations by geographic region and global business lines. The company's operating segments reflect the way the chief executive officer, who is the CODM as defined in ASC 280, Segment Reporting, reviews financial information, makes operating decisions and assesses business performance. In identifying operating segments, the company also considers its annual budgeting and forecasting process, management reporting structure, the basis on which management compensation is determined, information presented to the Board of Directors and similarities such as the nature of products, the level of shared products, technology and other resources, and customer base. The company concluded that identifying operating segments by major geographic region within each of the world's broadest portfolios company's major businesses was consistent with the objectives of product offerings available from leading electronic ASC 280 and it has aggregated geographic operating segments within the global components reportable segment and enterprise computing solutions suppliers, coupled with a range the global ECS reportable segment based on similar characteristics including long-term financial performance, the nature of services solutions provided, internal process for delivering those services, and tools that enables its suppliers to distribute their technologies and help its industrial and commercial customers to source, build upon, and leverage these technologies to grow their businesses, reduce their time to market, and enhance their overall competitiveness. The company is a trusted partner in a complex value chain and is uniquely positioned through its electronics components and IT content portfolios to increase value for stakeholders. types of customers.

The company has two reportable segments, the global components business and the global enterprise computing solutions ("ECS") business. The company's global components business, reportable segment is enabled by a comprehensive range of value-added capabilities and services, markets, and distributes electronic components to original equipment manufacturers ("OEMs") OEMs and contract manufacturers ("CMs"). EMS providers. The company's global ECS business reportable segment is a leading value-added provider of comprehensive computing solutions and services. The global ECS portfolio of computing solutions includes datacenter, cloud, security, and analytics solutions. Global ECS brings broad market access, extensive supplier relationships, scale, and resources to help its value-added resellers ("VARs") VARs and managed service providers ("MSPs") MSPs meet the needs of their end-users.

The CODM evaluates the performance of both reportable segments based on operating income. Sales, net gross profit, and operating expenses are also monitored closely. This information is used to monitor operating margins, measure segment profitability, allocate resources, and make budgeting and forecasting decisions about the reportable segments. The CODM also uses these measures to monitor trends in year over year performance comparisons, sequential quarter performance comparisons, and to compare actual results to forecasts. More disaggregated information about operating expense is generally only reviewed by the CODM on a consolidated basis.

As a result of the company's philosophy of maximizing operating efficiencies through the centralization of certain functions, operating income for the reportable segments excludes unallocated corporate overhead costs, depreciation on corporate fixed assets, and restructuring, integration, and other costs, as they are not attributable to the individual reportable segments and are included in the corporate line item.

Sales, by reportable segment by geographic area, are as follows:

(thousands)	2023	2022	2021
Sales:			
Components:			
Americas	$ 7,954,713	$ 9,592,547	$ 7,827,866
EMEA	8,074,894	7,627,974	6,248,846
Asia/Pacific	9,390,292	11,567,482	12,280,805
Global components	$25,419,899	$28,788,003	$26,357,517
ECS:			
Americas	$ 4,160,298	$ 4,847,027	$ 4,878,954
EMEA	3,526,923	3,489,392	3,240,547
Global ECS	$ 7,687,221	$ 8,336,419	$ 8,119,501
Consolidated	$33,107,120	$37,124,422	$34,477,018

Sales by country are as follows:

(thousands)	2023	2022	2021
Sales:			
China and Hong Kong	$ 4,858,871	$ 6,339,883	$ 7,249,611
Germany	4,341,837	4,715,806	4,007,381
Other	12,737,852	12,901,063	11,603,832
Total foreign	$21,938,560	$23,956,752	$22,860,824
United States	11,168,560	13,167,670	11,616,194
Total	$33,107,120	$37,124,422	$34,477,018

The company operates in more than 85 countries worldwide. Sales to unaffiliated customers are based on the company location that maintains the customer relationship and transacts the external sale.

Index

Operating income (loss),

Sales, by reportable segment by geographic area, are as follows:

(thousands)	2024	2023	2022
Sales:			
Components:			
Americas	$ 6,411,701	$ 7,954,713	$ 9,592,547
EMEA	5,648,107	8,074,894	7,627,974
Asia/Pacific	7,923,459	9,390,292	11,567,482
Global components	$ 19,983,267	$ 25,419,899	$ 28,788,003
ECS:			
Americas	$ 4,067,160	$ 4,160,298	$ 4,847,027
EMEA	3,872,897	3,526,923	3,489,392
Global ECS	$ 7,940,057	$ 7,687,221	$ 8,336,419
Consolidated	$ 27,923,324	$ 33,107,120	$ 37,124,422

Sales by country are as follows:

(thousands)	2024	2023	2022
Sales:			
China and Hong Kong	$ 4,033,744	$ 4,858,871	$ 6,339,883
Germany	3,007,517	4,341,837	4,715,806
Other	11,114,613	12,737,852	12,901,063
Total foreign	$ 18,155,874	$ 21,938,560	$ 23,956,752
United States	9,767,450	11,168,560	13,167,670
Total	$ 27,923,324	$ 33,107,120	$ 37,124,422

The company operates in more than 85 countries worldwide. Sales to unaffiliated customers are based on the company location that maintains the customer relationship and transacts the external sale.

Results of operations by reportable segment are as follows: follows for the years ended December 31:

	2024			
(thousands)	Global Components	Global ECS	Corporate	Consolidated
Sales	$ 19,983,267	$ 7,940,057	$ -	$ 27,923,324
Cost of sales	17,650,909	6,980,007	-	24,630,916
Gross profit	2,332,358	960,050	-	3,292,408
Gross profit margin	11.7 %	12.1 %	-	11.8 %
Operating expenses (a)	1,591,085	549,975	382,791	2,523,851
Operating income (loss) (b) (c) (d)	$ 741,273	$ 410,075	$ (382,791)	$ 768,557

Operating income margin	3.7 %	5.2 %	-	2.8 %

	2023			
(thousands)	**Global Components**	**Global ECS**	**Corporate**	**Consolidated**
Sales	$ 25,419,899	$ 7,687,221	$ -	$ 33,107,120
Cost of sales	22,220,779	6,737,323	-	28,958,102
Gross profit	3,199,120	949,898	-	4,149,018
Gross profit margin	12.6 %	12.4 %	-	12.5 %
Operating expenses (a)	1,739,954	582,894	355,006	2,677,854
Operating income (loss) (b) (c) (d)	$ 1,459,166	$ 367,004	$ (355,006)	$ 1,471,164
Operating income margin	5.7 %	4.8 %	-	4.4 %

Index

	2022			
(thousands)	**Global Components**	**Global ECS**	**Corporate**	**Consolidated**
Sales	$ 28,788,003	$ 8,336,419	$ -	$ 37,124,422
Cost of sales	24,883,076	7,404,721	-	32,287,797
Gross profit	3,904,927	931,698	-	4,836,625
Gross profit margin	13.6 %	11.2 %	-	13.0 %
Operating expenses (a)	1,943,802	523,179	301,150	2,768,131
Operating income (loss) (d)	$ 1,961,125	$ 408,519	$ (301,150)	$ 2,068,494
Operating income margin	6.8 %	4.9 %	-	5.6 %

(thousands)	**2023**	**2022**	**2021**
Operating income (loss):			
Global components (a)	$1,459,166	$1,961,125	$ 1,432,187
Global ECS (b)	367,004	408,519	390,103
Corporate (c)	(355,006)	(301,150)	(265,468)
Consolidated	$1,471,164	$2,068,494	$ 1,556,822

(a) Segment operating expenses include employee related expenses, depreciation and amortization, allowance for credit losses, and other segment expenses.

(b) Global components operating income includes charges of $60.6 million in inventory write downs related to the wind down of businesses in 2024. Global components operating income includes $62.2 million and $12.5 million in settlement charges benefits recorded as a reduction to operating expense for 2023 and 2021, respectively, (refer 2023. Refer to Note 15) and $4.5 million in restructuring, integration, and other charges for 2021. 15.

(b) (c) Global In 2023, global ECS operating income includes charges of $25.4 million to increase the allowance for credit losses which increased by $24.0 million related to one customer. During 2024, global ECS operating income includes a reversal of charges of $20.0 million for 2023, relative aged receivables that were collected, related to the year-earlier period. same customer.

(c) (d) Corporate operating loss for the years 2024, 2023, 2022, and 2021 2022 includes restructuring, integration, and other charges of $142.9 million, $83.9 million, and $13.7 million, and $10.9 million, respectively. Refer to Note 9.

Total assets, by reportable segment, at December 31 are as follows:

(thousands)	2023	2022	2024	2023
Total assets:				
Global components	$ 15,129,190	$ 15,001,624	$14,765,931	$15,129,190
Global ECS	6,051,459	6,124,184	6,518,723	6,051,459
Corporate	545,519	637,374	473,053	545,519
Consolidated	$ 21,726,168	$ 21,763,182	$21,757,707	$21,726,168

Long-lived assets by country are as follows:

(thousands)	2023	2022	2024	2023
Long-lived assets:				
Netherlands	$ 89,199	$ 93,390	$ 78,120	$ 89,199
France	87,861	68,048	86,268	87,861
Other	258,264	247,823	223,903	258,264
Total foreign	$ 435,324	$ 409,261	$388,291	$435,324
United States	364,940	464,749	332,098	364,940
Total	$ 800,264	$ 874,010	$720,389	$800,264

Table of Contents

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

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The company's management, under the supervision and with the participation of the company's Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the company's disclosure controls and procedures as of December 31, 2023 December 31, 2024 (the "Evaluation"). Based upon the Evaluation, the company's Chief Executive Officer and Chief Financial Officer concluded that the company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) 1934, as amended) are effective.

Management's Report on Internal Control Over Financial Reporting

The company's management is responsible for establishing and maintaining adequate "internal control over financial reporting" (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)). Management evaluates the effectiveness of the company's internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Management, under the supervision and with the participation of the company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2023 December 31, 2024, and concluded that it is effective.

The company's independent registered public accounting firm, Ernst & Young LLP, has audited the effectiveness of the company's internal control over financial reporting as of December 31, 2023 December 31, 2024, as stated in their report, which is included herein.

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Arrow Electronics, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Arrow Electronics, Inc.'s internal control over financial reporting as of December 31, 2023 December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Arrow Electronics, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023 December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 December 31, 2024 and 2022, 2023, the related consolidated statements of operations, comprehensive income (loss), equity and cash flows for each of the three years in the period ended December 31, 2023 December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 13, 2024 February 11, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Denver, Colorado

Table of Contents

Item 9B. Other Information.

Insider Trading Arrangements

During the quarter ended December 31, 2023 December 31, 2024, none of the company's directors or officers adopted, amended, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," arrangement", as those terms are defined in Regulation S-K, Item 408.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

See "Executive Officers" in Part I of this Annual Report on Form 10-K. In addition, the information set forth under the heading "Proposal 1: Election of Directors" in the company's Proxy Statement, filed in connection with the 2024 2025 Annual Meeting of Shareholders ("Proxy Statement"), is incorporated herein by reference. The company will provide disclosure of delinquent Section 16(a) reports, if any, in its Proxy Statement under a section titled "Delinquent Section 16(a) Reports," and such disclosure, if any, is incorporated herein by reference.

Information about the company's audit committee is set forth under the subheading "Audit Committee" under the heading "The Board and its Committees" in the company's Proxy Statement, and is incorporated herein by reference.

Information about the company's policies prohibiting insider trading and related procedures is included as Exhibit 19 to this report and is set forth under the heading "Insider Trading Policy" in the company's Proxy Statement, and is incorporated herein by reference.

Information about the company's code of ethics governing the Chief Executive Officer, Chief Financial Officer, and Principal Accounting Officer, known as the "Finance Code of Ethics," as well as a code of ethics governing all employees, known as the "Worldwide Code of Business Conduct and Ethics," is available free of charge on the company's website at investor.arrow.com in the "Governance Documents" subsection of the "Leadership and Governance" section, and is available in print to any shareholder upon request.

Information about the company's "Corporate Governance Guidelines" and written committee charters for the company's Audit Committee, Compensation Committee, and Corporate Governance Committee is available free of charge on the company's website at investor.arrow.com in the "Governance Documents" subsection of the "Leadership and Governance" section, and is available in print to any shareholder upon request.

Item 11. Executive Compensation.

The information required by this item concerning director and executive compensation is incorporated herein by reference to the sections entitled "Director Compensation," "Compensation Discussion and Analysis," "Compensation Risk Analysis," "Policies Regarding Awards of Options or Similar Instruments in Relation to Disclosure of Material Nonpublic Information," "Compensation of the Named Executive Officers," "Agreements and Potential Payouts Upon Termination or Change in Control," "CEO Pay Ratio," and "Pay Versus Performance" in the company's Proxy Statement.

The information required by this item pursuant to Item 407(e)(4) of Regulation S-K is incorporated herein by reference to the section entitled "Compensation Committee Interlocks and Insider Participation" in the company's Proxy Statement.

The information required by this item pursuant to Item 407(e)(5) of Regulation S-K is incorporated herein by reference to the section entitled "Compensation Committee Report" in the company's Proxy Statement.

Table of Contents

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

The information required by this item pursuant to Item 403 of Regulation S-K is incorporated herein by reference to the section entitled "Certain Shareholders" in the company's Proxy Statement.

For the information required by Item 201(d) of Regulation S-K, refer to Item 5 in this report.

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

The information required by this item concerning related party transactions pursuant to Item 404 of Regulation S-K is incorporated herein by reference to the section entitled "Related Person Transactions" in the company's Proxy Statement.

The information required by this item concerning director independence pursuant to Item 407(a) of Regulation S-K is incorporated herein by reference to the section entitled "Independence" in the company's Proxy Statement.

Item 14. Principal Accounting Fees and Services.

The information required by this item is incorporated herein by reference to the section entitled "Principal Accounting Firm Fees" in the company's Proxy Statement.

Table of Contents

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this report:

All other schedules are omitted since the required information is not present, or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements, including

Table of Contents

ARROW ELECTRONICS, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Allowance for credit losses (thousands)	Balance at Beginning of Year	Charged to Income	Other (a)	Write-down	Balance at End of Year	Balance at Beginning of Year	Charged to Income	Other (a)	Write-down	Balance at End of Year
Year ended December 31, 2024						$ 146,480	$ 751	$ (2,411)	$ 28,375	$ 116,445
Year ended December 31, 2023	$ 93,397	$ 71,984	$ 690	$ 19,591	$ 146,480	$ 93,397	$ 71,984	$ 690	$ 19,591	$ 146,480
Year ended December 31, 2022	$ 75,901	$ 34,590	$ (1,476)	$ 15,618	$ 93,397	$ 75,901	$ 34,590	$ (1,476)	$ 15,618	$ 93,397

Year ended December 31, 2021	$ 92,792	$ 7,039	$ (1,963)	$ 21,967	$ 75,901

(a) "Other" primarily includes the effect of fluctuations in foreign currencies and the allowance for credit losses of the businesses acquired and disposed of by the company.

Table of Contents

INDEX OF EXHIBITS

Exhibit Number	Exhibit
3(a)	Restated Certificate of Incorporation of Arrow Electronics, Inc. dated as of December 12, 2024 (incorporated by reference to Exhibit 3(a) 3.1 to the company's Annual Current Report on Form 10-K for the year ended December 31, 2020 8-K dated December 12, 2024, Commission File No. 1-4482).
3(b)	Amended and Restated Bylaws of Arrow Electronics, Inc., dated December 14, 2022 (incorporated by reference to Exhibit 3.1 to the company's Current Report on Form 8-K dated December 19, 2022, Commission File No. 1-4482).
4(a)	Description of Registrant's Securities (incorporated by reference to Exhibit 4(a) to the company's Annual Report on Form 10-K for the year ended December 31, 2022, Commission File No. 1-4482).
4(b)	Indenture, dated as of January 15, 1997, between the company and The Bank of New York Mellon (formerly, the Bank of Montreal Trust Company), as Trustee (incorporated by reference to Exhibit 4(b)(i) to the company's Annual Report on Form 10-K for the year ended December 31, 1996, Commission File No. 1-4482).
4(b)(i)	Officers' Certificate, as defined by the Indenture in 4(b) above, dated as of January 22, 1997, with respect to the company's $200,000,000 7% Senior Notes due 2007 and $200,000,000 7 1/2% Senior Debentures due 2027 (incorporated by reference to Exhibit 4(b)(ii) to the company's Annual Report on Form 10-K for the year ended December 31, 1996, Commission File No. 1-4482).
4(b)(ii)	Supplemental Indenture, dated as of March 2, 2015, between the company and The Bank of New York Mellon (as successor to the Bank of Montreal Trust Company), as trustee (incorporated by reference to Exhibit 4(a)(x) to the company's Annual Report on Form 10-K for the year ended December 31, 2015, Commission File No. 1-4482).
4(c)	Indenture, dated as of June 1, 2017, between the company and US Bank National Association, as Trustee (incorporated by reference to Exhibit 4.4 to the company's Post-effective amendment No. 1 to the Form S-3 dated June 1, 2017, Commission File No. 1-4482).
4(c)(i)	First Supplemental Indenture, dated as of June 12, 2017, between the company and US Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the company's Current Report on Form 8-K dated June 12, 2017, Commission File No. 1-4482).

4(c)(ii)	Second Supplemental Indenture, dated as of September 8, 2017, between the company and US Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the company's Current Report on Form 8-K dated September 8, 2017, Commission File No. 1-4482).
4(c)(iii)	Third Supplemental Indenture, dated as of December 1, 2021, by and between the Company and US Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the company's Current Report on Form 8-K dated December 1, 2021, Commission File No. 1-4482).
4(c)(iv)	Fourth Supplemental Indenture, dated as of March 1, 2023, by and between the Company and US Bank National Association, as Trustee, (incorporated by reference to Exhibit 4.2 to the company's Current Report on Form 8-K dated March 1, 2023, Commission File No. 1-4482).

Table of Contents

4(c)(v) (iii)	Fifth Supplemental Indenture, dated as of March 1, 2023, by and between the Company and U.S. Bank Trust Company, National Association, as Trustee (incorporated by reference to Exhibit 4(b) to the company's Quarterly Report on the Form 10-Q for the quarter ended April 1, 2023, Commission File No. 1-4482).

Table of Contents

4(d)	Indenture, dated as of March 1, 2024, by and between the Company and U.S. Bank Trust Company, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the company's Registration Statement under the Securities Act of 1933 on Form S-3 dated March 1, 2024, Commission File No. 1-4482).
4(d)(i)	First Supplemental Indenture, dated as of April 10, 2024, by and between the Company and U.S. Bank Trust Company, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the company's Current Report on Form 8-K dated April 10, 2024, Commission File no. 1-4482).
4(d)(ii)	Second Supplemental Indenture, dated as of August 21, 2024, by and between the Company and U.S. Bank Trust Company, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the company's Current Report on Form 8-K dated August 21, 2024, Commission File no. 1-4482).
10(a)	Amendment No. 34, 35, dated as of September 20, 2022 September 10, 2024, to the Transfer and Administration Agreement dated as of March 21, 2001, reflecting original agreement and cumulative amendments (incorporated by reference to Exhibit 10.2 10.1 to the company's Quarterly Current Report on the Form 10-Q for the quarter ended October 2, 2022 8-K dated September 10, 2024, Commission File No. 1-4482).

10(b)+	Management Insurance Program Agreement, dated as of September 16, 2015 (incorporated by reference to Exhibit 10(m) to the company's Annual Report on Form 10-K for the year ended December 31, 2015, Commission File No. 1-4482).
10(c)(i)+	Arrow Electronics, Inc. 2004 Omnibus Incentive Plan (as amended and restated through December 8, 2020) (incorporated by reference to Exhibit 10(d)(i) to the company's Annual Report on Form 10-K for the year ended December 31, 2020, Commission File No. 1-4482).
10(c)(ii)+	Form of Non-Qualified Stock Option Award Agreement for the Executive Committee under 10(d)(i) (as amended and restated through February 19, 2020) (incorporated by reference to Exhibit 10(d)(ii) to the company's Annual Report on Form 10-K for the year ended December 31, 2020, Commission File No. 1-4482).
10(c)(iii)+	Form of Performance Stock Unit Award Agreement for the Executive Committee under 10(d)(i) (as amended and restated through February 17, 2021) (incorporated by reference to Exhibit 10(b) to the company's Quarterly Report on Form 10-Q for the quarter ended April 3, 2021, Commission File No. 1-4482).
10(c)(iv)+	Form of Restricted Stock Unit Award Agreement for the Executive Committee under 10(d)(i) (as amended and restated through February 17, 2021) (incorporated by reference to Exhibit 10(c) to the company's Quarterly Report on Form 10-Q for the quarter ended April 3, 2021, Commission File No. 1-4482).
10(d)	Non-Employee Directors Deferred Compensation Plan, as amended and restated effective July 1, 2018 (incorporated by reference to Exhibit 10(e) to the company's Annual Report on Form 10-K for the year ended December 31, 2020, Commission File No. 1-4482).
10(d)(i)	Amendment to the Non-Employee Directors Deferred Compensation Plan, as amended on December 31, 2019, to the Non-Employee Directors Deferred Compensation Plan in 10(e) (incorporated by reference to Exhibit 10(e)(i) to the company's Annual Report on Form 10-K for the year ended December 31, 2019, Commission File No. 1-4482).

10(e)+	Arrow Electronics, Inc. Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2009 (incorporated by reference to Exhibit 10(i) to the company's Annual Report on Form 10-K for the year ended December 31, 2009, Commission File No. 1-4482).
10(e)(i)+	Amendment letter to Sean J. Kerins, dated May 16, 2022, relating to the Arrow Electronics, Inc. Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2009. (incorporated by reference to Exhibit 10(a) to the company's Quarterly Report on Form 10-Q for the quarter ended July 2, 2022, Commission File No. 1-4482).

10(f)+	Arrow Electronics, Inc. Executive Deferred Compensation Plan, as amended and restated effective July 1, 2018 (incorporated by reference to Exhibit 10(a) to the company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, Commission File No. 1-4482).
10(f)(i)+	Amendment to the Executive Deferred Compensation Plan, as amended on December 31, 2019, to the Executive Deferred Compensation Plan in 10(g) (incorporated by reference to Exhibit 10(g)(i) to the company's Annual Report on Form 10-K for the year ended December 31, 2019, Commission File No. 1-4482).
10(g)(i)+	Arrow Electronics, Inc. Executive Severance Policy (incorporated by reference to Exhibit 10.1 to the company's Current Report on Form 8-K dated February 19, 2013, Commission File No. 1-4482).
10(g)(ii)+	Arrow Electronics, Inc. Executive Severance Policy, adopted on September 14, 2022, effective August 10, 2022, prospectively (incorporated by reference to Exhibit 10(e) to the company's Quarterly Report on Form 10-Q for the quarter ended October 1, 2022, Commission File No. 1-4482).
10(g)(iii)+	Arrow Electronics, Inc. Executive Severance Policy, as adopted on September 13, 2023, effective August 7, 2023, prospectively (incorporated by reference to Exhibit 10(c) to the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, Commission File No. 1-4482).
10(g)(iv)+	Form of the Arrow Electronics, Inc. Executive Severance Policy Participation Agreement (incorporated by reference to Exhibit 10.2 to the company's Current Report on Form 8-K dated February 19, 2013, Commission File No. 1-4482).
10(g)(v)+	Form of Separation and Release Agreement (incorporated by reference to Exhibit 10(d) to the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, Commission File No. 1-4482).
10(g)(vi)+	Form of Executive Change in Control Retention Agreement (incorporated by reference to Exhibit 10.3 to the company's Current Report on Form 8-K dated February 19, 2013, Commission File No. 1-4482).
10(g)(vii)+	Form of Executive Change in Control Retention Agreement, adopted on September 14, 2022, effective August 10, 2022, prospectively (incorporated by reference to Exhibit 10(d) to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 2022, Commission File No. 1-4482).
10(g)(viii)+	Form of Executive Change in Control Retention Agreement, adopted on September 13, 2023, effective August 7, 2023, prospectively (incorporated by reference to Exhibit 10(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, Commission File No. 1-4482).
10(g)(ix)*	Richard J Marano Promotion Letter
10(g)(x)*	Form of Offer of Employment Letter (External) for Executive Officers (incorporated by reference to Exhibit 10(g)(x) to the company's Annual Report on Form 10-K for the year ended December 31, 2023, Commission File No. 1-4482).

Table of Contents

10(g)(xi) (x)	Grantor Trust Agreement, as amended and restated on November 11, 2003, by and between Arrow Electronics, Inc. and Wachovia Bank, N.A. (incorporated by reference to Exhibit 10(i)(xvii) to the company's Annual Report on Form 10-K for the year ended December 31, 2003, Commission File No. 1-4482).

Table of Contents

10(g)(xii) (xi)	First Amendment, dated September 17, 2004, to the amended and restated Grantor Trust Agreement in 10(g)(vi) above by and between Arrow Electronics, Inc. and Wachovia Bank, N.A. (incorporated by reference to Exhibit 10(a) to the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004, Commission File No. 1-4482).
10(g)(xiii) (xii)	Paying Agency Agreement, dated November 11, 2003, by and between Arrow Electronics, Inc. and Wachovia Bank, N.A. (incorporated by reference to Exhibit 10(d)(iii) to the company's Annual Report on Form 10-K for the year ended December 31, 2003, Commission File No. 1-4482).
10(h)+	Offer of Employment from Arrow Electronics, Inc., to Rajesh K. Agrawal, dated August 11, 2022 (incorporated by reference to Exhibit 10(a) to the company's Quarterly Report on Form 10-Q for the quarter ended October 1, 2022, Commission File No. 1-4482).
10(i)	Fourth Amended and Restated Credit Agreement, dated as of September 9, 2021, among Arrow Electronics, Inc. and certain of its subsidiaries, as borrowers, the lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as administrative agent and Bank of America, N.A., The Bank of Nova Scotia, BNP Paribas, ING Bank N.V., Dublin Branch, MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation as syndication agents (incorporated by reference to Exhibit 10.1 to the company's Current Report on Form 8-K dated September 10, 2021, Commission File No. 1-4482).
10(i)(i)	First Amendment to Fourth Amended and Restated Credit Agreement, dated as of February 14, 2023, by and among Arrow Electronics, Inc., and certain of its subsidiaries as borrowers, the lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 4(c) to the company's Quarterly Report on the Form 10-Q for the quarter ended April 1, 2023, Commission File No. 1-4482).
10(j)(i)	Commercial Paper Private Placement Agreement, dated as of November 9, 1999, among Arrow Electronics, Inc., as issuer, and Chase Securities Inc., Bank of America Securities LLC, Goldman, Sachs & Co., and Morgan Stanley & Co. Incorporated as placement agents (incorporated by reference to Exhibit 10(g) to the company's Annual Report on Form 10-K for the year ended December 31, 1999, Commission File No. 1-4482).
10(j)(ii)	Amendment No. 1, dated as of October 11, 2011, to Dealer Agreement dated as of November 9, 1999, between Arrow Electronics, Inc. and J.P. Morgan Securities LLC (f.k.a. Chase Securities Inc.), Merrill Lynch, Pierce, Fenner & Smith Incorporated (f.k.a. Bank of America Securities LLC), Goldman, Sachs & Co. and Morgan Stanley & Co. LLC (f.k.a. Morgan Stanley & Co. Incorporated) (incorporated by reference to Exhibit 10(n)(ii) to the company's Annual Report on Form 10-K for the year ended December 31, 2011, Commission File No. 1-4482).
10(j)(iii)	Amendment No. 2, dated as of October 20, 2014, to Dealer Agreement dated as of November 9, 1999, between Goldman, Sachs & Co., J.P. Morgan Securities LLC (f.k.a. Chase Securities Inc.), Morgan Stanley & Co. LLC (f.k.a. Morgan Stanley & Co. Incorporated), Merrill Lynch, Pierce, Fenner & Smith Incorporated (f.k.a. Bank of America Securities LLC) and Arrow Electronics, Inc., as amended by Amendment No. 1 (incorporated by reference to Exhibit 10(a) to the company's Quarterly Report on Form 10-Q for the quarter ended September 27, 2014, Commission File No. 1-4482).

Table of Contents

10(j)(iv)	Amendment No. 3, dated as of January 6, 2016, to Dealer Agreement dated as of November 9, 1999, between Goldman, Sachs & Co., J.P. Morgan Securities LLC (f.k.a. Chase Securities Inc.), Morgan Stanley & Co. LLC (f.k.a. Morgan Stanley & Co. Incorporated), Merrill Lynch, Pierce, Fenner & Smith Incorporated (f.k.a. Bank of America Securities LLC) and Arrow Electronics, Inc., as amended by Amendment No. 1 and Amendment No. 2. (incorporated by reference to Exhibit 10(b) to the company's Quarterly Report on Form 10-Q for the quarter ended April 2, 2016, Commission File No. 1-4482).
10(k)	Issuing and Paying Agency Agreement, dated as of October 20, 2014, by and between Arrow Electronics, Inc. and BNP Paribas (incorporated by reference to Exhibit 10(b) to the company's Quarterly Report on Form 10-Q for the quarter ended September 27, 2014, Commission File No. 1-4482).
10(l)(i)	English Receivables Sales Agreement dated as of January 27, 2020, between Arrow Electronics (UK) Limited, as the seller, and Arrow EMEA Funding Corp B.V., as the buyer (incorporated by reference to Exhibit 10.1 to the company's Current Report on Form 8-K dated January 30, 2020, Commission File No. 1-4482).
10(l)(ii)	Second Amendment to English Receivables Sales Agreement dated as of December 12, 2022, between Arrow Electronics (UK) Limited, as the seller and servicer, Arrow EMEA Funding Corp B.V., as the buyer and Paribas as the administrative agent (incorporated by reference to Exhibit 10(l)(ii) to the company's Annual Report on Form 10-K for the year ended December 31, 2022, Commission File No. 1-4482).
10(l)(iii)	German Receivables Sale Agreement dated as of January 27, 2020, between Arrow Central Europe GmbH, as the seller, and Arrow EMEA Funding Corp B.V., as the buyer (incorporated by reference to Exhibit 10.2 to the company's Current Report on Form 8-K dated January 30, 2020, Commission File No. 1-4482).
10(l)(iv)	First Amendment to German Receivables Sale Agreement, dated as of December 23, 2021, between Arrow Central Europe GmbH, as the seller and servicer, Arrow EMEA Funding Corp B.V., as the buyer and BNP Paribas, administrative agent . (incorporated by reference to Exhibit 10(m)(iii) to the company's Annual Report on Form 10-K for the year ended December 31, 2021, Commission File No. 1-4482).
10(l)(v)	Second Amendment to German Receivables Sale Agreement, dated as of December 12, 2022, between Arrow Central Europe GmbH, as the seller and servicer, Arrow EMEA Funding Corp B.V., as the buyer and BNP Paribas, administrative agent (incorporated by reference to Exhibit 10(l)(v) to the company's Annual Report on Form 10-K for the year ended December 31, 2022, Commission File No. 1-4482).
10(l)(vi)	Omnibus Deeds of Amendment (dated December 23, 2021 and September 20, 2022), by and among Arrow EMEA Funding Corp B.V., as the SPV; BNP Paribas, as administrative agent, a purchaser agent and as a committed purchaser; Matchpoint Finance PLC, as a conduit purchaser; ING Belgium S.A./N.V., as a purchaser agent; Mont Blanc Capital Corp, as a committed purchaser and conduit purchaser; Arrow Electronics (UK) Limited, as agent servicer, an SPV servicer and an originator; Arrow Central Europe GMBH, as an agent servicer, an SPV servicer and an originator; Arrow Electronics Inc.; Arrow Electronics FC B.V., as subordinated lender; U.S.Bank Trustees Limited, as security trustee; and Elavon Financial Services DAC, as paying agent, together with the Annexes thereto (incorporated by reference to Exhibit 10.1 to the company's Current Report on Form 8-K dated September 22, 2022, Commission File No. 1-4482).

10(l)(vii)	Amendment No. 4 to Receivables Transfer Agreement, dated as of January 27, 2023, by and among Arrow EMEA Funding Corp B.V., as the SPV, BNP Paribas, as administrative agent and a purchaser agent, ING Belgium S.A./N.V., as a purchaser agent, U.S. Bank Trustees Limited, as the security trustee, Elavon Financial Services DAC, as paying agent, and Arrow Electronics, Inc. (incorporated by reference to Exhibit 4(d) to the company's Quarterly Report on the Form 10-Q for the quarter ended April 1, 2023, Commission File No. 1-4482).
10(l)(viii)	Omnibus Deed of Amendment No. 3 dated July 21, 2023, by and among Arrow EMEA Funding Corp B.V., as the SPV; BNP Paribas, as administrative agent and a purchaser agent; ING Belgium S.A./N.V., as a purchaser agent; U.S. Bank Trustees Limited, as security trustee; Arrow Electronics (UK) Limited, as collection account trustee, and Elavon Financial Services DAC, as paying agent, and Arrow Electronics Inc. as the parent; together with the Annexes thereto (incorporated by reference to Exhibit 10(a) to the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, Commission File No. 1-4482).
10(l)(ix)	Amendment No. 6 to Receivables Transfer Agreement, dated as of February 08, 2024, by and among Arrow EMEA Funding Corp B.V., as the SPV, BNP Paribas, as administrative agent and a purchaser agent, ING Belgium S.A./N.V., as a purchaser agent, U.S. Bank Trustees Limited, as the security trustee, Elavon Financial Services DAC, as paying agent, and Arrow Electronics, Inc. (incorporated by reference to Exhibit 10(a) to the company's Quarterly Report on Form 10-Q for the quarter ended March 30, 2024, Commission File No. 1-4482).
10(l)(x)*	Amendment No. 7 to Receivables Transfer Agreement, dated as of October 31, 2024, by and among Arrow EMEA Funding Corp B.V., as the SPV, BNP Paribas, as administrative agent and a purchaser agent, ING Belgium S.A./N.V., as a purchaser agent, U.S. Bank Trustees Limited, as the security trustee, Elavon Financial Services DAC, as paying agent, and Arrow Electronics, Inc.
10(l)(xi)*	Amendment No. 2 to the Master Framework Agreement, dated as of December 16, 2024, among Arrow EMEA Funding Corp B.V., as the SPV; BNP Paribas, as administrative agent, a purchaser agent and as a committed purchaser; Matchpoint Finance PLC, as a conduit purchaser; ING Belgium S.A./N.V., as a purchaser agent; Mont Blanc Capital Corp, as a committed purchaser; Arrow Electronics (UK) Limited, as an agent servicer; Arrow Central Europe GmbH, as SPV servicer and originator; U.S. Bank Trustees Limited, as security trustee; and Elavon Financial Services DAC, as paying agent, and Arrow Electronics Inc. as the parent.
10(m)+	Form of Indemnification Agreement between Arrow Electronics, Inc., and each of its directors and officers (incorporated by reference to Exhibit 10(m) to the company's Annual Report on Form 10-K for the year ended December 31, 2022, Commission File No. 1-4482).
10(n)*	Amended and Restated Limited Recourse Receivable Discounting Framework Agreement, dated as of December 27, 2023 November 19, 2024, by and among the Hong Kong and Shanghai Banking Corporation Limited, Arrow Electronics China Limited and Arrow/Components Agent Limited (incorporated by reference to Exhibit 10.1 to the company's Current Report on Form 8-K dated January 2, 2024, Commission File No. 1-4482). Limited.
19*	Insider Trading Policy.
21*	Subsidiary Listing.
23*	Consent of Independent Registered Public Accounting Firm.
31(i)(A)*	Certification of Chief Executive Officer pursuant to Rule 13A-14(a)/15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Table of Contents

31(i)(B)*	Certification of Chief Financial Officer pursuant to Rule 13A-14(a)/15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32(i)**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32(ii)**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97* 97	Dodd-Frank Clawback Policy (incorporated by reference to Exhibit 97 to the company's Annual Report on Form 10-K for the year ended December 31, 2023, Commission File No. 1-4482).
101*	Inline XBRL Document Set for the consolidated financial statements and accompanying notes in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* : Filed herewith.
** : Furnished herewith.
\+ : Indicates a management contract or compensatory plan or arrangement.

Table of Contents

Item 16. **Form 10-K Summary**.

None.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 13, 2024 11, 2025		ARROW ELECTRONICS, INC.
		By: /s/ Carine Jean-Claude
		Carine Jean-Claude
		Senior Vice President, Chief Legal Officer and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
By: /s/ Sean J. Kerins Sean J. Kerins	President, Chief Executive Officer, and Director *(principal executive officer)*	February 13, 2024 11, 2025
By: /s/ Rajesh K. Agrawal Rajesh K. Agrawal	Senior Vice President and Chief Financial Officer *(principal financial officer)*	February 13, 2024 11, 2025
By: /s/ Richard A. Seidlitz Yun S. Cho Richard A. Seidlitz Yun S. Cho	Vice President and Corporate Controller *(principal accounting officer)*	February 13, 2024 11, 2025
By: /s/ Steven H. Gunby Steven H. Gunby	Chair of the Board of Directors	February 13, 2024 11, 2025
By: /s/ William F. Austen William F. Austen	Director	February 13, 2024 11, 2025
By: /s/ Fabian T. Garcia Lawrence (Liren) Chen Fabian T. Garcia Lawrence (Liren) Chen	Director	February 13, 2024 11, 2025
By: /s/ Gail E. Hamilton Gail E. Hamilton	Director	February 13, 2024 11, 2025
By: /s/ Michael D. Hayford Michael D. Hayford	Director	February 11, 2025
By: /s/ Andrew C. Kerin Andrew C. Kerin	Director	February 13, 2024 11, 2025
By: /s/ Carol P. Lowe Carol P. Lowe	Director	February 13, 2024 11, 2025
By: /s/ Mary T. McDowell Mary T. McDowell	Director	February 13, 2024 11, 2025
By: /s/ Gerry P. Smith Gerry P. Smith	Director	February 13, 2024 11, 2025

10(l)(x) Exhibit 10(g)(ix)

Graphic

GRETCHEN ZECH [*****] Indicates omitted information. This redacted information has been excluded because it is both (i) not material and (ii) of the type that the registrant treats as private and confidential.

SENIOR VICE PRESIDENT THIS AMENDMENT NO. 7 TO RECEIVABLES TRANSFER AGREEMENT

(this "Amendment") is dated October 31, 2024 and made among **CHIEF GOVERNANCE, SUSTAINABILITY, ARROW EMEA FUNDING CORP B.V.**

AND HUMAN RESOURCES OFFICER

September 14, 2023

Mr. Richard J. Marano
Centennial, Colorado

Dear Rick,

On September 13, 2023, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, as the SPV (the "SPV"), **BNP PARIBAS** ("BNPP"),a société anonyme incorporated under the laws of France, as the Administrative Agent (in such capacity, the "Administrative Agent"), and as Purchaser Agent for the BNP Purchaser Group (in such capacity, the "BNPP Purchaser Agent"), **ING BELGIUM S.A./N.V.**,a public limited liability company (société anonyme/naamloze vennootschap) organised under the laws of Belgium, as Purchaser Agent for the ING Purchaser Group (the "ING Purchaser Agent"), **U.S. BANK TRUSTEES LIMITED**, a limited liability company incorporated under the laws of England and Wales, as the Security Trustee (the "Security Trustee"), **ARROW ELECTRONICS (UK) LIMITED**,a limited liability company incorporated under the laws of England and Wales, as Collection Account Trustee ("Arrow Electronics' Board UK"), and **ELAVON FINANCIAL SERVICES DAC**, a designated activity company registered in Ireland, as the Paying Agent (the "Paying Agent"), and, solely for the purpose of Directors approved your appointment as President, Global Components, contingent upon you executingClause 4.2, **ARROW ELECTRONICS, INC.**, a corporation organised under the attached Exhibit B, Form of Executive Restrictive Covenants Agreements laws of the Executive Change In Control Retention State of New York, as the Parent (the "Parent"). Each Person above shall be a "Party" and together shall be the "Parties".

WITNESSETH

WHEREAS, the SPV, the Administrative Agent, the BNPP Purchaser Agent, Matchpoint Finance PLC, the ING Purchaser Agent, Mont Blanc Capital Corp, Arrow UK, Arrow Central Europe GMBH ("Arrow Germany"), the Parent, Arrow Electronics FC B.V., the Security Trustee and the Paying Agent have entered into that certain Master Framework Agreement, effective October 1, 2023, dated as of January 27, 2020 (as amended from time to time up to the date of this Amendment, the "Master Framework Agreement");

WHEREAS, the SPV, the Administrative Agent, the BNPP Purchaser Agent, Matchpoint Finance PLC, the ING Purchaser Agent, Mont Blanc Capital Corp, Arrow UK, Arrow Germany, the Security Trustee and Exhibit B, the Paying Agent have entered into that certain Receivables Transfer Agreement, dated as of January 27, 2020 (as amended from time to time up to the date of this Amendment, the "Receivables Transfer Agreement");

Form WHEREAS, Arrow Germany, Arrow UK and the Security Trustee have entered into that certain Dutch Account Security Agreement, dated as of Executive Restrictive Covenants Agreements December 23, 2021 (as amended from time to time up to the date of this Amendment, the "Dutch Security Agreement");

WHEREAS, the Parties desire to amend the Receivables Transfer Agreement as provided herein and, to the extent applicable to such Party, provide a limited waiver; and

NOW THEREFORE, the Parties agree as follows.

THIS DEED WITNESSES that:

---

1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined in the Receivables Transfer Agreement

Capitalized terms used but not defined in this Amendment shall have the meaning given to them in the Receivables Transfer Agreement or, if not defined therein, in the Master Framework Agreement.

1.2 Interpretation

The principles of interpretation set out in Clause 2.2 (*Interpretation*) of the Executive Severance Policy Master Framework Agreement apply to this Amendment, *mutatis mutandis*, as if fully set forth herein.

2. AMENDMENTS TO THE RECEIVABLES TRANSFER AGREEMENT

The Parties hereby agree that with effect from the Effective Date, Schedule 3 to the Receivables Transfer Agreement shall be amended in its entirety and replaced with Annex A attached hereto.

3. EFFECTIVENESS

3.1 Effective Date

Subject to Clause 3.3 below, this Amendment shall become effective October 1, 2023. on the date hereof (the "Effective Date"), provided that the Administrative Agent shall have received a counterpart (or counterparts) of this Amendment executed and delivered by each of the Parties. All covenants, agreements, representations and warranties made herein and in the Receivables Transfer Agreement shall survive the execution and delivery of this Amendment and shall continue in full force and effect.

3.2 Status

This Amendment is designated as a Transaction Document.

3.3 Continuing effect; Further Assurances

(a) On the Effective Date, and immediately following receipt of the items specified in Clause 3.1 above, the amendments and modifications to the Receivables Transfer Agreement shall be, and shall be deemed to be, effective, modified and amended in accordance herewith and, the respective rights, limitations, obligations, duties, liabilities and immunities of the respective parties thereto and hereto shall hereafter be determined, exercised and enforced subject in all respects to the modifications and amendments, and all the terms and conditions of this Amendment shall be deemed to be a part of the respective terms and conditions of the Receivables Transfer Agreement for any and all purposes.

(b) Except as modified and expressly amended by this Amendment, the Receivables Transfer Agreement is in all respects ratified and confirmed, and all the terms, provisions and conditions thereof shall be and remain in full force and effect.

REFINITIV

(c) Except for the limited purposes set forth in Clause 7 (*Limited Waiver*), nothing in this Amendment shall constitute an amendment, waiver, consent or release of any right or remedy of the Administrative Agent, any Purchaser or any other Secured Party under the Transaction Documents nor otherwise prejudice the right or remedy of the Administrative Agent, any Purchaser or any other Secured Party under any Transaction Document and each of the Administrative Agent, any Purchaser or any other Secured Party reserves any other right or remedy it may have now or subsequently under the Transaction Documents.

(d) Arrow UK shall at the request of the Administrative Agent or the Security Trustee and at its own expense promptly (i) execute (in such form as the Administrative Agent or Security Trustee may reasonably require) any document and (ii) do any act or thing, in each case which the Administrative Agent or Security Trustee considers necessary or appropriate to preserve, perfect, protect or give effect to, the amendments contained in this Amendment, including, for the avoidance of doubt, delivering any Notice of Pledge (as defined below) to the relevant Collection Account Bank.

4. **CERTAIN REPRESENTATIONS/REAFFIRMATIONS**

4.1 The SPV and each Arrow Party that is a party hereto hereby represents and warrants to each of the other Parties that:

(a) the representations and warranties made by it in the Receivables Transfer Agreement, as amended by this Amendment, and each of the other Transaction Documents to which it is a party are true and correct in all material respects (except those representations and warranties qualified by materiality or by reference to a material adverse effect, which are true and correct in all respects) on and as of the Effective Date unless such representations and warranties by their terms refer to an earlier date, in which case they were true and correct in all material respects (except those representations and warranties qualified by materiality or by reference to a material adverse effect, which are true and correct in all respects) on and as of such earlier date;

(b) the execution and delivery by it of this Amendment and the performance of its obligations under this Amendment, the Receivables Transfer Agreement (as amended hereby) and the other Transaction Documents to which it is a party are within its organizational powers and have been duly authorized by all necessary action on its part, and this Amendment, the Receivables Transfer Agreement (as amended hereby) and the other Transaction Documents to which it is a party are its valid and legally binding obligations, enforceable in accordance with their respective terms, subject to the effect of bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally, and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law; and

(c) immediately before and after giving effect to this Amendment, no Early Amortisation Event, Potential Event of Default, Event of Default, Potential Servicer Default or Servicer Default has occurred and is continuing, except as expressly waived pursuant to Clause 7 (*Limited Waiver*).

4.2 By its signature below, the Parent hereby affirms, agrees and acknowledges, as of the Effective Date, that (a) all of the terms and conditions set forth in the Parent Undertaking Agreement and all of the covenants made by the Parent therein are hereby confirmed and ratified, and (b) all of its obligations under the Parent Undertaking Agreement shall continue and remain in full force and effect, notwithstanding the amendments set forth in Clause 2 (*Amendments to the Receivables Transfer Agreement*) of this Amendment, or the limited waiver set forth in Clause 7 (*Limited Waiver*).

5. **CONFIRMATIONS**

The position SPV confirms to the Administrative Agent, each Purchaser Agent and each other Secured Party that:

(a) its obligations under, and the Security granted by it in and pursuant to, the Security Documents are not discharged or otherwise affected by the amendments contained in or the other provisions of this Amendment and shall accordingly remain in full force and effect; and

(b) the Secured Liabilities (as defined in each Security Document) shall after the Effective Date extend to the obligations of the SPV under the Receivables Transfer Agreement (as amended hereby) and under any other Transaction Documents.

6. **MISCELLANEOUS**

6.1 **Costs and Expenses**

The SPV shall promptly on demand pay (or cause to be paid) the Administrative Agent, each Purchaser and each other Secured Party the amount of all costs and expenses (including legal fees) incurred by any of them in connection with the negotiation, preparation, printing and execution of this Amendment and any other documents referred to in this Amendment. The SPV shall pay (or cause to be paid) all costs and expenses (including legal fees) referred to in the immediately preceding sentence and invoiced on or prior to the date hereof within thirty (30) days of the Effective Date.

6.2 **Counterparts**

This Amendment may be executed in any number of counterparts, and this has the same effect as if the signatures (and if applicable, seals) on the counterparts were on a single copy of this Amendment. Delivery by electronic mail of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart of this Amendment.

6.3 **Third Party Rights**

Except in respect of the Secured Parties not party to this Amendment, which Persons (including, for the avoidance of doubt, their respective successors and permitted assigns) are intended to have the benefit of (but shall not enforce other than via the Administrative Agent) this Amendment pursuant to the Contracts (Rights of Third Parties) Act 1999, a Person who is located not a Party has no rights under the Contracts (Rights

---

of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Amendment.

6.4 **Notices**

The provisions of <u>Clause 4.1</u> (*Notices*) of the Master Framework Agreement shall apply to this Amendment as if set out in our office full again here, with such changes as are appropriate to fit this context.

6.5 **GOVERNING LAW**

This Amendment and any non-contractual obligations arising out of or in Centennial, Colorado connection with it shall be governed by and reports to Sean J. Kerins, President and Chief Executive Officer. I am delighted to confirm the following changes to your compensation.

<u>Base Salary</u>

Effective October 1, 2023, your annualized base salary will increase to $500,000.00, payable in monthly installments and construed in accordance with the Arrow Electronics, Inc.’s (the “Company”) standard payroll practices. laws of England.

6.6 **Jurisdiction of the English Courts**

(a) The Parties agree that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with this Amendment (including Clause 6.5 (*Governing Law*) and this Clause 6.6), or the transactions contemplated hereby, and, for such purposes, irrevocably submits to the exclusive jurisdiction of such courts.

(b) Each Party for itself irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 6.6(a) being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with this Amendment, or the transactions contemplated hereby and agrees not to claim that any such court is not a convenient or appropriate forum.

6.7 Limited Recourse and No Proceedings

(a) *Limited Recourse to the SPV*. Notwithstanding anything to the contrary contained in this Amendment, the obligations of the SPV under this Amendment are solely the corporate obligations of the SPV and shall be payable solely to the extent of funds available to the SPV to satisfy such obligation in accordance with the Priority of Payments and to the extent that such funds are insufficient, any undischarged claims shall be extinguished.

(b) *No Proceedings against the SPV*. No party to this Amendment may, prior to the date which is two (2) years and one (1) day after the Final Payout Date, institute against, or join any other Person in instituting against, the SPV any proceeding of a type referred to in the definition of Event of Insolvency.

6.8 Binding Effect

This Amendment shall be binding on the parties hereto and their respective successors and assigns; provided that the SPV may not assign any of its rights or delegate any of

---

its duties under this Amendment without the prior written consent of the Majority Purchasers.

6.9 Partial Invalidity

If, at any time, any provision of this Amendment is or becomes illegal, invalid or unenforceable in any respect under any Law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the Law of any other jurisdiction will in any way be affected or impaired.

6.10 Instruction to Security Trustee and Paying Agent

The Administrative Agent (at the direction of the Specified Purchasers, which each Specified Purchaser provides by entering into this Amendment) hereby instructs the Security Trustee and the Paying Agent (and instructs the SPV to instruct the Paying Agent, which the SPV does by entering into this Amendment) to execute and deliver this Amendment.

7. LIMITED WAIVER.

7.1 Limited Waiver Regarding Certain Accounts of Arrow UK

Reference is hereby made to the (i) Receivables Transfer Agreement, (ii) English Receivables Sale Agreement, dated as of January 27, 2020 (as amended from time to time up to the date of this Amendment, the "English RSA"), by and between the SPV, as buyer, and Arrow UK, as seller and original servicer, and (iii) Dutch Security Agreement.

Your participation The following clauses (a) – (f) are collectively referred to herein as the "Subject Covenants":

(a) Pursuant to Clause 6.2(f) of the English RSA, Arrow UK shall, among other things, instruct all relevant Obligors to cause all Collections to be deposited directly to a Collection Account.

(b) Pursuant to Clause 6.2(g) of the English RSA, Arrow UK shall, among other things, hold all Collections received by it from time to time on trust for the benefit of the SPV and deposit such Collections immediately to a Collection Account or an SPV Account (unless those Collections have already been paid into a Collection Account or an SPV Account).

(c) Pursuant to Clause 6.2(h) of the English RSA, Arrow UK shall, among other things, procure that each Collection Account shall at all times be subject to an Account Agreement.

(d) Pursuant to Clause 6.3(e) of the English RSA, Arrow UK shall not, among other things, add any bank as an Account Bank or any account as an Account to or from those listed in schedule 3 (*Accounts*) to the Receivables Transfer Agreement unless (i) the SPV and the Administrative Agent have received written notice of such addition at least thirty (30) days prior thereto, (ii) the SPV and the Administrative Agent (acting on the instructions of the Majority

---

Purchasers) have consented to each new Account Bank (in each case, where applicable, and provided that such consent or instructions are not unreasonably withheld or delayed), (iii) the Security Trustee has received a duly executed Account Agreement with respect to each new Account, where applicable, and (iv) the Administrative Agent and each Purchaser Agent have received an updated Schedule 3 (*Accounts*) to the Receivables Transfer Agreement along with a certification from Arrow UK that all conditions to add such Account and/or Account Bank under the Transaction Documents have been satisfied.

(e) Pursuant to Clause 2.2.1 of the Dutch Security Agreement, Arrow UK shall, on the date a person becomes an Account Bank (as defined in the Dutch Security Agreement), deliver (with a copy to the Administrative Agent and the Security Trustee) a duly executed Notice of Pledge (each, a "Notice of Pledge") to such Account Bank.

(f) Pursuant to Clause 2.2.2 of the Dutch Security Agreement, with respect to any Notice of Pledge, Arrow UK shall ensure that such Account Bank (as defined in the Dutch Security Agreement) acknowledges such Notice of Pledge by providing a duly executed Acknowledgement of Notice of Pledge (each, an "Acknowledgement of Pledge") to Arrow UK and Arrow UK shall deliver such Acknowledgement of Pledge to the Administrative Agent and the Security Trustee no later than two (2) Business Days from the date Arrow UK delivers such Notice of Pledge to such Account Bank.

Pursuant to Clause 6.1(c) of the Receivables Transfer Agreement, an Early Amortisation Event will occur if any Arrow Party shall fail to perform or observe any term, covenant, agreement or other term contained in (i) any Specified Covenant Clause, or (ii) any Transaction Document (other than as addressed in Clauses 6.1(a) and 6.1(c)(i) (*Early Amortisation Events*) of the Receivables Transfer Agreement) and such failure in the Management Incentive Compensation Plan (the "MICP") continues. Effective case of Clause 6.1(c)(ii) of the Receivables Transfer Agreement has continued for twenty (20) days after such Person obtained knowledge or received notice thereof.

October 1, 2023, your short-term incentive target will increase to $500,000.00. The actual incentive you earn

may be higher or lower depending on business results and your individual performance, subject to a cap equal

to $850,000.00 Each of the SPV, the Administrative Agent, the BNPP Purchaser Agent, the ING Purchaser Agent, the Security Trustee and the terms Paying Agent agrees and conditions of acknowledges that (i) on March 23, 2023 (the "Initial Breach Date"), Arrow UK opened two (2) accounts in the MICP. For Netherlands with (a) [*****], and (b) [*****] (collectively, the 2023 plan year, your target incentive "Dutch Accounts") into which Collections have been deposited since June 9, 2023 and the cap will continue to be prorated based upon changes to deposited and for which the amount of your incentive target throughout Collections in such accounts for any month did not and will not, in the year. aggregate, exceed $30,000,000, (ii) prior to the date hereof, the Dutch Accounts were not a Collection Account or an SPV Account, (iii) the Administrative Agent and Security Trustee have not received a copy of the Notice of Pledge with respect to the Dutch Accounts, and (iv) the Administrative Agent and Security Trustee have not received a copy of the Acknowledgement of Pledge with respect to the Dutch Accounts, in each case, constituting a failure to comply with one or more of the Subject Covenants and triggering an Early Amortisation Event (collectively, the "Specified Breaches").

Pursuant to Clause 12.1 of the Receivables Transfer Agreement, each of the SPV, the Administrative Agent, the Security Trustee, the Paying Agent and each Majority Purchaser party hereto hereby waives, on a limited basis, (i) the occurrence of the

---

Specified Breaches, (ii) any failure to give notice of the Specified Breaches, (iii) any false representation, warranty, certification or statement regarding any Account, Account Bank or the absence of an Early Amortisation Event or Event of Default, solely to the extent that such falsity arose from the Specified Breaches, (iv) any failure of the SPV, any Servicer or any Originator under the Transaction Documents to comply with a covenant or obligation with respect to any Account or Account Bank, solely to the extent that such failure arose from the Specified Breaches, and (v) with respect to any Investment, the failure to satisfy any condition pursuant to Clause 4.2 of the Receivables Transfer Agreement, solely to the extent that such failure arose from the Specified Breaches (such events, the "Resulting Events"), in each case, solely to the extent occurring during the period of time from the Initial Breach Date, to and including the Effective Date (the "Waiver Period").

For the avoidance of doubt, the limited waiver granted hereunder shall not apply to any period of time other than the Waiver Period. The waiver set forth in the immediately preceding paragraph is a one-time waiver and is limited to its express terms. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent, the Security Trustee, the Paying Agent, any Purchaser Agent or any Purchaser, nor constitute a waiver of any provision of the Receivables Transfer Agreement or any other Transaction Document or any other documents, instruments and agreements executed and/or delivered in connection therewith except to the limited extent specifically set forth herein. Additionally, nothing contained in this Amendment shall be construed to modify or in any way amend (i) Clause 6.2(f), Clause 6.2(g), Clause 6.2(h) or Clause 6.3(e) of the English RSA, (ii) Clause 2.2.1 or Clause 2.2.2 of the Dutch Security Agreement, (iii) Clause 6.1(c) of the Receivables Transfer Agreement, or (iv) any other provision of the Receivables Transfer Agreement, the English RSA, the Dutch Security Agreement or any other Transaction Document, other than as expressly set forth in Clause 2 (*Amendments to the Receivables Transfer Agreement*).

The Compensation Committee of Arrow Electronics' Board of Directors (the "Compensation Committee")

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has

overall responsibility for evaluating the final results under the MICP and determining the amount of the final payout of your award and has the sole discretion to adjust awards, upward or downward, based on its evaluation of the quality of results in any year and your individual performance up until the time an award is determined and paid. Your MICP award is contingent upon approval been executed as a deed by the Compensation Committee and is parties hereto on the date first above written.

ARROW EMEA FUNDING CORP B.V., as the SPV

By: Intertrust Management B.V., as Managing Director

By: /s/ K. Adamovich
Name: K. Adamovich
Title: Managing Director

By: /s/ B.J.C. Paulusma
Name: B.J.C. Paulusma
Title: Proxyholder

September 14, 2023

Page 2

Short-Term Incentive (continued) EXECUTED

You must be employed by the Company in good standing on the date of payment to earn and receive an MICP award. In the event your employment with the Company terminates for any reason other than death before the MICP award is paid, including due to your voluntary termination, the MICP award will not be earned or vested, and you will have no right to receive, and the Company will have no obligation to pay to you, your MICP award. In the event your employment relationship with the Company ends as a result of deed by Bradley Windbigler,)

your death, your MICP award will be prorated duly authorised for the time you were actively employed by the Company. and on behalf)
of ARROW ELECTRONICS (UK))
Your MICP award, if any, will be paid on or before March 15 of the subsequent calendar year. LIMITED)

Benefits EXECUTED as a deed by Matthew Senko,)
duly authorised for and on behalf)
of ARROW ELECTRONICS (UK))
You remain eligible to participate in the Company's market-based employee benefits (health, dental, life,
401(k), short-term disability, and long-term disability). In addition, you may participate in additional programs provided to the executive management team (the Supplemental Executive Retirement Plan, the Management Insurance Program, and the Executive Health Program). Please refer to the applicable plan documents for information about eligibility and coverage.LIMITED)

You remain eligible to participate in the Long-Term Incentive Program (the "LTIP"), as determined by the Company from time to time. The LTIP, your eligibility for participation in the LTIP, and all LTIP awards shall be subject to the discretion and approval of the Compensation Committee, the terms and conditions of Arrow Electronics' 2004 Omnibus Incentive Plan, as amended from time to time, and any award agreement issued to you in connection with the grant of an LTIP award.

Equity Governance Programs and Company Policy

You continue to be required to abide by all applicable Company policies, including the Arrow Worldwide Code of Business Conduct and Ethics, the Company's Insider Trading Policy, the Company's Trading Window, the Company's Anti-Hedging and Anti-Pledging Policy, and the Company's Executive Stock Ownership Guidelines

In addition, as an Executive Officer of the Company, effective October 1, 2023, you will be subject to the Company's Dodd-Frank Compensation Clawback Policy and the Securities Exchange Act of 1934 (the "Exchange Act").

The Dodd-Frank Compensation Clawback Policy provides for the recoupment of certain Incentive-Based Compensation in the event of an accounting Restatement (as such capitalized terms are defined in the Dodd-Frank Compensation Clawback Policy), subject to certain limited exceptions, regardless of your individual knowledge of or responsibility for an accounting Restatement.

Equity Governance Programs and Company Policy (continued)

Arrow's Board of Directors adopted an executive equity ownership policy to align the interests of its key executives with the interests of shareholders and further promote the Company's commitment to sound corporate governance. Although the Guidelines may be amended from time to time by the Compensation Committee, based on the Guidelines effective February 16, 2022, you will be required to own an amount of Arrow (ARW) equity whose value equals or exceeds three (3) times the amount of your annualized base salary within five (5) years of being subject to the Guidelines. In the event requirements have not been met by September 30, 2028, 100% of net shares are to be retained until requirements are met. Net shares are those shares that remain after shares are sold or netted to pay withholding taxes.

As an insider of a public company, Section 16 of the Exchange Act will prohibit you from engaging in short-sale transactions in the Company's equity securities, will require you to report your direct and indirect ownership of the Company's equity securities and any transactions in such securities to the U.S. Securities and Exchange Commission within two business days, and will require you to disgorge any short-swing profits. Thus, you must notify the Human Resources and Legal teams before engaging in any transaction in Arrow securities so that they may ensure that you comply with all SEC rules and reporting obligations.

This letter shall not be construed as a contract of employment for a fixed period of time. Your employment is at-will which means that either you or the Company are free to end your employment at any time. Your post-employment obligations will be governed by Exhibit B, Form of Executive Restrictive Covenants Agreements of the Executive Change In Control Retention Agreement effective October 1, 2023, and Exhibit B, Form of Executive Restrictive Covenants Agreements of the Executive Severance Policy effective October 1, 2023.

This letter confirms all of the terms of employment and supersedes any prior understandings or agreements, whether oral or written, between you and the Company, and may not be amended or modified except by an express written agreement signed by the Senior Vice President, Chief Governance, Sustainability, and Human Resources Officer.

Administrative Agent and Purchaser Agent for the BNPP Purchaser Group

Page 4*Executed as a deed by BNP Paribas, a company incorporated in France, acting by Emilie Astier and Eric Lefol who, in accordance with the laws of that territory, are acting under the authority of that company.*

Signature in the name of the company: ________________ BNP Paribas

Signature of /s/ Emilie Astier: ___________

Signature of /s/ Eric Lefol: ___

Purchaser Agent for the Executive Committee. We look forward to your joining us, and ING Purchaser Group

wish you much success as you take this next step in your career with Arrow. Feel free to call me with any questions you may have.

ING BELGIUM S.A./N.V.

By: /s/ Ellen Aelvoet
Name: Ellen Aelvoet
Title: Managing Director

By: /s/ Hans De Munck
Name: Hans De Munck
Title: Managing Director

Best Regards,

/s/ Gretchen Zech

Gretchen Zech
Senior Vice President, Chief Governance, Sustainability, and Human Resources Officer

---

U.S. BANK TRUSTEES LIMITED,
as the Security Trustee

By: /s/ James Preuss
Name: James Preuss
Title: Authorised Signatory

By: /s/ John Collins
Name: John Collins
Title: Authorised Signatory

ELAVON FINANCIAL SERVICES DAC,
as the Paying Agent

By: /s/ James Preuss

Name: James Preuss
Title: Authorised Signatory

By: /s/ John Collins

Name: John Collins
Title: Authorised Signatory

SOLELY WITH RESPECT TO CLAUSE 4.2:

ARROW ELECTRONICS, INC., as the Parent

By: /s/ Bradley Windbigler

Name: Bradley Windbigler
Title: Vice President, Treasurer

By: /s/ Matthew Senko

Name: Matthew Senko
Title: VP, Legal Affairs and Assistant Secretary

SCHEDULE 3
ACCOUNTS

COLLECTION ACCOUNTS

Arrow Electronics (UK) Limited

[*****]

Arrow Central Europe GmbH

[*****]

SPV ACCOUNTS

[*****]

Ex10(g)(x)Exhibit 10(l)(xi)

Graphic **[*****] Indicates omitted information. This redacted information has been excluded because it is both (i) not material and (ii) of the type that the registrant treats as private and confidential.**

THIS AMENDMENT NO. 2 TO MASTER FRAMEWORK AGREEMENT (this "Amendment") is dated December 16 , 2024 and made among ARROW EMEA FUNDING CORP B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, as the SPV (the "SPV"), BNP PARIBAS ("BNPP"),a société anonyme incorporated under the laws of France, as the Administrative Agent (in such capacity, the "Administrative Agent"), as Purchaser Agent for the BNP Purchaser Group (in such capacity, the "BNPP Purchaser Agent") and as a Committed Purchaser, MATCHPOINT FINANCE PLC, a public limited company incorporated under the laws of Ireland, as a Conduit Purchaser ("Matchpoint"), ING BELGIUM S.A./N.V.,a public limited liability company (société anonyme/naamloze vennootschap) organised under the laws of Belgium, as Purchaser Agent for the ING Purchaser Group (the "ING Purchaser Agent"), MONT BLANC CAPITAL CORP, a corporation organised under the laws of the State of Delaware, as a Committed Purchaser and as a Conduit Purchaser ("Mont Blanc"), ARROW ELECTRONICS (UK) LIMITED,a limited liability company incorporated under the laws of England and Wales, as an Agent Servicer, an SPV Servicer and an Originator ("Arrow UK"), ARROW CENTRAL EUROPE GMBH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany, as an Agent Servicer, an SPV Servicer and an Originator ("Arrow Germany"), ARROW ELECTRONICS, INC., a corporation organised under the laws of the State of New York, as the Parent (the "Parent"), U.S. BANK TRUSTEES LIMITED, a limited liability company incorporated under the laws of England and Wales, as the Security Trustee and *mandatario con rappresentanza* pursuant to and for the purposes of Italian law (the "Security Trustee"), and U.S. BANK EUROPE DAC (F/K/A ELAVON FINANCIAL SERVICES DAC), a designated activity company registered in Ireland, as the Paying Agent (the "Paying Agent"). Each Person above shall be a "Party" and together shall be the "Parties".

WITNESSETH

WHEREAS, the SPV, the Administrative Agent, the BNPP Purchaser Agent, Matchpoint, the ING Purchaser Agent, Mont Blanc, Arrow UK, Arrow Germany, the Parent, the Security Trustee and the Paying Agent, among others, have entered into that certain Master Framework Agreement, dated as of January 27, 2020 (as amended from time to time up to the date of this Amendment, the "Master Framework Agreement");

WHEREAS, the SPV, the Administrative Agent, the BNPP Purchaser Agent, Matchpoint, the ING Purchaser Agent, Mont Blanc, Arrow UK, Arrow Germany, the Parent, the Security Trustee and the Paying Agent desire to amend the Master Framework Agreement as provided herein;

NOW THEREFORE, the Parties agree as follows.

THIS DEED WITNESSES that:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Terms defined in the Master Framework Agreement**

Capitalized terms used but not defined in this Amendment shall have the meaning given to them in the Master Framework Agreement.

1.2 **Interpretation**

The principles of interpretation set out in Clause 2.2 (*Interpretation*) of the Master Framework Agreement apply to this Amendment, *mutatis mutandis*, as if fully set forth herein.

2. **AMENDMENTS TO THE MASTER FRAMEWORK AGREEMENT**

The Parties hereby agree that with effect from the Effective Date, the Master Framework Agreement is amended as follows:

2.1 The definition of "Commitment Termination Date" in Clause 2.1 (*Defined terms*) of the Master Framework Agreement is hereby amended and restated in its entirety as follows:

"Commitment Termination Date" means December 15, 2027, or such later date to which the Commitment Termination Date may be extended in writing (which may be by email) by the SPV (or the Servicers on its behalf), the Administrative Agent and any or all of the Committed Purchasers (in their sole discretion). Each Purchaser Agent shall use commercially reasonable efforts to notify the SPV (or the Servicers on its behalf) in writing (including by email) ninety (90) days prior to the current Commitment Termination Date (but in any event no later than sixty (60) days prior to the current Commitment Termination Date) if the Committed Purchasers in its Purchaser Group intend to renew their Commitments. The SPV (or the Servicers on its behalf) shall notify all other Arrow Parties, the Security Trustee and the Paying Agent of the extended Commitment Termination Date if such extended date has been agreed in writing by the SPV, the Administrative Agent and the Committed Purchasers. For the avoidance of doubt and notwithstanding anything in any Transaction Document to the contrary, no Committed Purchaser shall have any obligation to renew its Commitment.

2.2 Schedule 1 to the Master Framework Agreement shall be amended in its entirety and replaced with Annex A attached hereto.

3. **EFFECTIVENESS**

3.1 **Effective Date**

Subject to Clause 3.3 below, this Amendment shall become effective on the date hereof (the "Effective Date"), provided that the Administrative Agent shall have received each of the following:

(a) a counterpart (or counterparts) of this Amendment executed and delivered by each of the Parties; and

(b) a counterpart (or counterparts) of the Purchaser Fee Letter, dated as of the date hereof (the "Purchaser Fee Letter"), by and among the Parent, BNPP, Matchpoint, the ING Purchaser Agent and Mont Blanc executed and delivered by each of the parties thereto.

All covenants, agreements, representations and warranties made herein and in the Master Framework Agreement shall survive the execution and delivery of this Amendment and shall continue in full force and effect.

3.2 **Status**

This Amendment is designated as a Transaction Document.

3.3 **Continuing effect; Further Assurances**

(a) On the Effective Date, and immediately following receipt of the items specified in Clause 3.1 above, the amendments and modifications to the Master Framework Agreement shall be, and shall be deemed to be, effective, modified and amended in accordance herewith and, the respective rights, limitations, obligations, duties, liabilities and immunities of the respective parties thereto and hereto shall hereafter be determined, exercised and enforced subject in all respects to the modifications and amendments, and all the terms and conditions of this Amendment shall be deemed to be a part of the respective terms and conditions of the Master Framework Agreement for any and all purposes.

(b) Except as modified and expressly amended by this Amendment, the Master Framework Agreement is in all respects ratified and confirmed, and all the terms, provisions and conditions thereof shall be and remain in full force and effect.

(c) Nothing in this Amendment shall constitute an amendment, waiver, consent or release of any right or remedy of the Administrative Agent, any Purchaser or any other Secured Party under the Transaction Documents nor otherwise prejudice the right or remedy of the Administrative Agent, any Purchaser or any other Secured Party under any Transaction Document and each of the Administrative Agent, any Purchaser or any other Secured Party reserves any other right or remedy it may have now or subsequently under the Transaction Documents.

4. **CERTAIN REPRESENTATIONS/REAFFIRMATIONS**

4.1 The SPV and each Arrow Party that is a party hereto hereby represents and warrants to each of the other Parties that:

(a) the representations and warranties made by it in each of the Transaction Documents to which it is a party are true and correct in all material respects (except those representations and warranties qualified by materiality or by reference to a material adverse effect, which are true and correct in all respects) on and as of the Effective Date unless such representations and warranties by their terms refer to an earlier date, in which case they were true and correct in all material respects (except those representations and warranties qualified by materiality or by reference to a material adverse effect, which are true and correct in all respects) on and as of such earlier date;

(b) the execution and delivery by it of this Amendment and the performance of its obligations under this Amendment, the Master Framework Agreement (as amended hereby) and the other Transaction Documents to which it is a party are within its organizational powers and have been duly authorized by all necessary action on its part, and this Amendment, the Master Framework Agreement (as amended hereby) and the other Transaction Documents to which it is a party are its valid and legally binding obligations, enforceable in accordance with their respective terms, subject to the effect of bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally, and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law; and

(c) immediately before and after giving effect to this Amendment, no Early Amortisation Event, Potential Event of Default, Event of Default, Potential Servicer Default or Servicer Default has occurred and is continuing.

4.2 By its signature below, the Parent hereby affirms, agrees and acknowledges, as of the Effective Date, that (a) all of the terms and conditions set forth in the Parent Undertaking Agreement and all of the covenants made by the Parent therein are hereby confirmed and ratified, and (b) all of its obligations under the Parent Undertaking Agreement shall continue and remain in full force and effect, notwithstanding the amendments set forth in Clause 2 (*Amendments to the Master Framework Agreement*) of this Amendment.

5. CONFIRMATIONS

The SPV confirms to the Administrative Agent, each Purchaser Agent and each other Secured Party that:

(a) its obligations under, and the Security granted by it in and pursuant to, the Security Documents are not discharged or otherwise affected by the amendments contained in or the other provisions of this Amendment and shall accordingly remain in full force and effect; and

(b) the Secured Liabilities (as defined in each Security Document) shall after the Effective Date extend to the obligations of the SPV under the Receivables Transfer Agreement and under any other Transaction Documents.

6. MISCELLANEOUS

6.1 Costs and Expenses

The SPV shall promptly on demand pay (or cause to be paid) the Administrative Agent, each Purchaser and each other Secured Party the amount of all costs and expenses (including legal fees) incurred by any of them in connection with the negotiation, preparation, printing and execution of this Amendment and any other documents referred to in this Amendment. The SPV shall pay (or cause to be paid) all costs and

expenses (including legal fees) referred to in the immediately preceding sentence and invoiced on or prior to the date hereof within thirty (30) days of the Effective Date.

6.2 Counterparts

This Amendment may be executed in any number of counterparts, and this has the same effect as if the signatures (and if applicable, seals) on the counterparts were on a single copy of this Amendment. Delivery by electronic mail of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart of this Amendment.

6.3 **Third Party Rights**

Except in respect of the Secured Parties not party to this Amendment, which Persons (including, for the avoidance of doubt, their respective successors and permitted assigns) are intended to have the benefit of (but shall not enforce other than via the Administrative Agent) this Amendment pursuant to the Contracts (Rights of Third Parties) Act 1999, a Person who is not a Party has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Amendment.

6.4 **Notices**

The provisions of Clause 4.1 (*Notices*) of the Master Framework Agreement shall apply to this Amendment as if set out in full again here, with such changes as are appropriate to fit this context.

6.5 **GOVERNING LAW**

This Amendment and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England.

6.6 **Jurisdiction of the English Courts**

(a) The Parties agree that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with this Amendment (including Clause 6.5 (*Governing Law*) and this Clause 6.6), or the transactions contemplated hereby, and, for such purposes, irrevocably submits to the exclusive jurisdiction of such courts.

(b) Each Party for itself irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 6.6(a) being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with this Amendment, or the transactions contemplated hereby and agrees not to claim that any such court is not a convenient or appropriate forum.

6.7 **Limited Recourse and No Proceedings**

(a) *Limited Recourse to the SPV*. Notwithstanding anything to the contrary contained in this Amendment, the obligations of the SPV under this Amendment

---

are solely the corporate obligations of the SPV and shall be payable solely to the extent of funds available to the SPV to satisfy such obligation in accordance with the Priority of Payments and to the extent that such funds are insufficient, any undischarged claims shall be extinguished.

(b) *No Proceedings against the SPV*. No party to this Amendment may, prior to the date which is two (2) years and one (1) day after the Final Payout Date, institute against, or join any other Person in instituting against, the SPV any proceeding of a type referred to in the definition of Event of Insolvency.

(c) *Limited Recourse to the Conduit Purchasers*. The obligations of each Conduit Purchaser under this Amendment are solely the corporate obligations of such Conduit Purchaser and are payable solely to the extent of available funds pursuant to the Programme Documents (as defined below). No recourse shall be had for the payment of any amount owing by any Conduit Purchaser under this Amendment or for the payment by such Conduit Purchaser of any fee in respect hereof or any other obligation or claim of or against such Conduit Purchaser arising out of or based upon this Amendment, against any employee, director, officer, member, manager or affiliate of such Conduit Purchaser; *provided*, *however*, *that* the foregoing shall not relieve any such Person of any liability they might have as a result of fraudulent acts or omissions committed by them. Each party hereto agrees that each Conduit Purchaser shall be liable for any claims that it may have against such Conduit Purchaser only to the extent that such Conduit Purchaser has funds available for such purpose in accordance with the programme documents in respect of its asset-backed commercial paper notes issuance programme ("Programme Documents") and that, to the extent that any such claims remain unpaid after the application of such funds in accordance with the Programme Documents such claims shall be extinguished. The provisions of this Clause 6.7(c) will survive the termination of this Amendment.

(d) *No Proceedings against the Conduit Purchasers*. Each party hereto agrees that it shall not institute against, or join any Person in instituting against, any Conduit Purchaser any bankruptcy, examinership, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding under any bankruptcy or similar law of any jurisdiction, for two (2) years and one (1) day after (i) the latest maturing commercial paper note of any series (as set out in the Programme Documents of such Conduit Purchaser) or (ii) the latest maturing medium term note of such Conduit Purchaser, if any, is paid in full. This Clause 6.7(d) shall survive termination of this Amendment.

6.8 **Binding Effect**

This Amendment shall be binding on the parties hereto and their respective successors and assigns; provided that the SPV may not assign any of its rights or delegate any of

its duties under this Amendment without the prior written consent of the Majority Purchasers.

6.9 **Partial Invalidity**

If, at any time, any provision of this Amendment is or becomes illegal, invalid or unenforceable in any respect under any Law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the Law of any other jurisdiction will in any way be affected or impaired.

6.10 **Instruction to Security Trustee and Paying Agent**

The Administrative Agent (at the direction of the Specified Purchasers, which each Specified Purchaser provides by entering into this Amendment) hereby instructs the Security Trustee and the Paying Agent (and instructs the SPV to instruct the Paying Agent, which the SPV does by entering into this Amendment) to execute and deliver this Amendment.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been executed as a deed by the parties hereto on the date first above written.

ARROW EMEA FUNDING CORP B.V., as the SPV

By: Intertrust Management B.V., as Managing Director

By: /s/ Edwin van Ankeren
Name: Edwin van Ankeren
Title: Director

By: /s/ Marnix Knol
Name: Marnix Knol
Title: Proxyholder

ARROW CENTRAL EUROPE GMBH, as Originator, Agent Servicer and SPV Servicer

By: /s/ Matthew Senko
Name: Mathew Senko
Title: VP, Legal Affairs and Assistant Secretary

By: /s/ Brad Windbigler
Name: Brad Windbigler
Title: Vice President, Treasurer

ORIGINATOR, AGENT SERVICER, SPV SERVICER

EXECUTED as a deed by Matthew Senko ,)
duly authorised for and on behalf)
of ARROW ELECTRONICS (UK))
LIMITED)

EXECUTED as a deed by Brad Windbigler ,)
duly authorised for and on behalf)
of ARROW ELECTRONICS (UK))
LIMITED

ARROW ELECTRONICS, INC., as the Parent

By: /s/ Matthew Senko

Name: Mathew Senko
Title: VP, Legal Affairs and Assistant Secretary

By: /s/ Brad Windbigler

Name: Brad Windbigler
Title: Vice President, Treasurer

Administrative Agent, Committed Purchaser and Purchaser Agent for the BNPP Purchaser Group

Congratulations! On behalf*Executed as a deed by BNP Paribas, a company incorporated in France, acting by*

Emile Astier and Baptiste Ranjard who, in accordance with the laws of Arrow Electronics, Inc. (the "Company"), I am delighted to extend to you an offer that territory, are acting under the authority of employment that company.

Signature in the name of the company: BNP Paribas

Signature of Emile Astier : ___________

Signature of Ranjard Baptiste : ___

CONDUIT PURCHASER

SIGNED AND DELIVERED for and on behalf of and as the deed of **MATCHPOINT FINANCE PUBLIC LIMITED COMPANY** by its lawfully appointed attorney in the presence of:

_/s/_John Hetherington_________
Signature

____John Hetherington__________
Print Name of Attorney

____
(Witness' Signature)

____

____
(Witness' Address)

____
(Witness' Occupation)

Purchaser Agent for the position of ________________, contingent upon you executing the Executive Restrictive Covenants Agreements of the Executive Change In Control Retention ING Purchaser Group

ING BELGIUM S.A./N.V.

By: /s/ Ellen Aelvoet

Name: Ellen Aelvoet

Title: Head of WB BeLux

By: /s/ Hans De Munck

Name: Hans De Munck

Title: CFO

MONT BLANC CAPITAL CORP, as a Committed Purchaser and as a Conduit Purchaser

By: /s/ Dennis Strid

Name: Dennis Strid

Title: Vice President

By: /s/ Sandeep Srinath

Name: Sandeep Srinath

Title: Managing Director

U.S. BANK TRUSTEES LIMITED, as the Security Trustee

By: /s/ James Preuss

Name: James Preuss
Title: Authorised Signatory

By: /s/ Chris Yates

Name: Chris Yates
Title: Authorised Signatory

U.S. BANK EUROPE DAC (F/K/A ELAVON FINANCIAL SERVICES DAC),
as the Paying Agent

By: /s/ James Preuss

Name: James Preuss
Title: Authorised Signatory

By: /s/ Chris Yates

Name: Chris Yates
Title: Authorised Signatory

ANNEX A to Amendment No. 2 to Master Framework Agreement and the Executive Severance Policy.

SCHEDULE 1
ADDRESS AND PAYMENT INFORMATION

Base Salary If to the SPV:

Arrow EMEA Funding Corp B.V.
Basisweg 10
1043 AP Amsterdam
The Netherlands
Attention: EMEA Securitization
E-mail addresses: [*****]

Payment Information:

If in Euros:
[*****]

If in Dollars:
[*****]

If in Pounds:
[*****]

If to the Administrative Agent:

BNP Paribas, as Administrative Agent
16 boulevard des Italiens
75009 Paris
France
Attention: [*****]
E-mail addresses: [*****]

If to the BNP Purchaser Group Committed Purchaser and Purchaser Agent:

BNP Paribas, as Administrative Agent
16 boulevard des Italiens
75009 Paris
France
Attention: [*****]
E-mail addresses: [*****]

If to the BNP Purchaser Group Conduit Purchaser:

Matchpoint Finance plc
Charlotte House, Charlemont Street
Dublin 2
Republic of Ireland

Attention: The Directors
E-mail addresses: [*****]
Tel. No.: [*****]
Facsimile No.: [*****]

and with a base salary at an annual rate copy to:

BNP Paribas, London Branch, as Administrator
10 Harewood Avenue

London NW1 6AA
United Kingdom
Attention: Asset Finance & Securitisation – Portfolio Management, Servicing
Tel. No.: [*****]
Facsimile No.: [*****]
E-mail addresses: [*****]

Payment Information:

[*****]

If to the ING Purchaser Group Purchaser Agent:

ING Belgium S.A./N.V.
Marnixlaan 24
1000 Brussels, Belgium
Attention: [*****]
E-mail addresses: [*****]

If to the ING Purchaser Group Committed Purchaser or Conduit Purchaser:

Mont Blanc Capital Corp
c/o ING Capital LLC
1133 Avenue of ______________, payable the Americas
New York, NY 10036
Attention: [*****]
E-mail addresses: [*****]

Payment Information:

[*****]

If to the English Agent Servicer, the English SPV Servicer or the English Originator:

Arrow Electronics (UK) Limited
Kao 1, Kao Park, Hockham Way
Harlow, Essex UK CM17 9NA
Attention: [*****]
E-mail addresses: [*****]

Payment Information:

[*****]

If to the German Agent Servicer, the German SPV Servicer or the German Originator:

Arrow Central Europe GmbH
Frankfurter Strasse 211,
D-63263 Neu-Isenburg,
Germany
Attention: EMEA Securitization
E-mail addresses: [*****]

Payment Information:

[*****]

If to the Guarantor or the Parent:

Arrow Electronics, Inc.
9201 E. Dry Creek Road
Centennial, CO, USA 80113
Attention: EMEA Securitization
E-mail addresses: [*****]

If to the Subordinated Lender:

Arrow Electronics FC B.V.
Elzenkade 1
3992 AD Houten
The Netherlands
Attention: EMEA Securitization
E-mail addresses: [*****]

Payment Information:

[*****]

If to the Security Trustee:

U.S. Bank Trustees Limited
125 Old Broad Street, Fifth Floor
London EC2N 1AR
United Kingdom

Attention: Structured Finance Relationship Management
Facsimile No.: [*****]
E-mail addresses: [*****]

If to the Paying Agent:

U.S. Bank Europe DAC
Building 8, Cherrywood Business Park
Loughlinstown, Dublin 18
D18 W319, Ireland
Attention: Structured Finance Agency Services
Facsimile No.: [*****]
E-mail addresses: [*****]

Payment Information:

[*****]

If to the Corporate Services Provider:

Intertrust Management B.V.
Basisweg 10
1043 AP Amsterdam, the Netherlands
Attention: the Directors
E-mail addresses: [*****]

Exhibit 10(n)

[*****] Indicates omitted information. This redacted information has been excluded because it is both (i) not material and (ii) of the type that the registrant treats as private and confidential.

Dated 19 November 2024

AMENDMENT AND RESTATEMENT AGREEMENT

in monthly installments respect of

a limited recourse receivables discounting framework agreement dated 27 December 2023

between

The Hongkong and Shanghai Banking Corporation Limited
(as Bank)

Arrow Electronics China Limited
Arrow/Components Agent Limited
(as Original Sellers)

and

Arrow Electronics China Limited
(as Sellers' Agent)

Contents

THIS AMENDMENT AND RESTATEMENT AGREEMENT is dated 19 November 2024 and made between:

(1) **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED,** acting through its office at HSBC Main Building 1 Queen's Road Central, Hong Kong (the "Bank");

(2) **ARROW ELECTRONICS CHINA LIMITED,** a company incorporated under the laws of Hong Kong with business registration number [*****] with its registered office at 2/F, Arrow Technology Center, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong as seller ("**AECL**");

(3) **ARROW/COMPONENTS AGENT LIMITED,** a company incorporated under the laws of Hong Kong with business registration number [*****] with its registered office at 2/F, Arrow Technology Center, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong as seller (together with AECL, the "Original Sellers"); and

(4) **ARROW ELECTRONICS CHINA LIMITED,** a company incorporated under the laws of Hong Kong with business registration number [*****] with its registered office at 2/F, Arrow Technology Center, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong as sellers' agent (in such capacity, the "**Sellers' Agent**").

BACKGROUND:

(A) By a limited recourse receivables discounting framework agreement dated 27 December 2023 (the **"Original RPA"**) and entered into between (a) the Bank; (b) the Original Sellers as sellers; and (c) the Sellers' Agent as sellers' agent, the Bank had agreed to make available to the Sellers (as defined in the Original RPA) an uncommitted receivables purchase facility.

(B) The Original Sellers have requested the Bank, and the Bank has agreed, to amend and supplement certain terms and conditions of the Original RPA, by way of amending and restating the Original RPA in full in the manner and on the conditions set out in this Amendment and Restatement Agreement.

(C) The Bank, each Original Seller and the Sellers' Agent have agreed to enter into this Amendment and Restatement Agreement to effect the Amendments (as defined below).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions in the Original RPA

Unless the context otherwise requires and except as herein expressly amended or re-defined, words and expressions defined in the Original RPA shall have the same meaning when used in this Amendment and Restatement Agreement.

1.2 **Definitions**

In this Amendment and Restatement Agreement:

"Amended RPA" meanstheOriginal RPA as amended and restated by this Amendment and Restatement Agreement, the form of which is set out in the Annex (*Form of Amended and Restated RPA*).

"Amendments" means the amendment and restatement of the Original RPA and the supplements to the other Transaction Documents pursuant to Clause 3 (*Agreement of the Parties*) and in accordance with the Company's standard payroll practices.

Short-Term Incentive

You will be eligible to receive an annual incentive payment under the Management Incentive Compensation Plan (the "MICP"). The amount of your short-term incentive target is ____________. The actual incentive you earn may be higher or lower depending on business results and your individual performance, subject to a cap equal to ____________ and the other terms and conditions of this Amendment and Restatement Agreement.

"Effective Date" means the MICP. Your short-term incentive target date on which the Bank notifies the Sellers' Agent that the conditions precedent specified in paragraph (c) of Clause 4.1 (*Conditions of amendments and supplements*) have been satisfied or otherwise waived.

"Party" means a party to this Amendment and Restatement Agreement.

"RPA" means:

(a) the Original RPA; or

(b) (subject to the terms and conditions of this Amendment and Restatement Agreement) from the Effective Date, the Amended RPA, and as may be further amended, supplemented and/or restated from time to time.

1.3 **Construction**

The provisions of paragraph 1 (*Interpretation*) of schedule 1 (*Definitions and Interpretation*) to the Original RPA shall apply to this Amendment and Restatement Agreement as if they were set out in full herein with references to "this Agreement" be construed as references to this Amendment and Restatement Agreement and with any other necessary changes to fit the context.

1.4 **Third party rights**

A person who is not a Party may not enforce any term of this Amendment and Restatement Agreement under the Contracts (Rights of Third Parties) Ordinance. The Sellers' Agent, the Sellers and the cap Bank may change any term of this Amendment and Restatement Agreement without the consent of any person who is not party to it.

1.5 **Transaction Document**

(a) Each of the Bank, the Original Sellers and the Sellers' Agent confirms that this Amendment and Restatement Agreement is a "Transaction Document" under the RPA.

(b) Subject to the terms and conditions of this Amendment and Restatement Agreement, with effect from the Effective Date, the Original RPA and this Amendment and Restatement Agreement shall be read and construed as one instrument.

2. **REPRESENTATIONS AND WARRANTIES**

Each Original Seller makes the representations and warranties set out in this Clause 2

---

to the Bank on the date of this Amendment and Restatement Agreement.

2.1 **Repeating representations**

(a) Each of the representations and warranties in clause 7.1 (*General representations*) of the Original RPA is correct and complied with on the date of this Amendment and Restatement Agreement as if repeated then by reference to the then existing circumstances.

(b) With respect to each Outstanding Purchased Receivable as at the date of this Amendment and Restatement Agreement, each of the representations and warranties in clause 7.2 (*Receivables specific warranties*) of the Original RPA is correct and complied with on the date of this Amendment and Restatement Agreement as if repeated then by reference to the then existing circumstances.

2.2 **General representations**

(a) It has the power and authority to enter into, and perform its obligations under, this Amendment and Restatement Agreement.

(b) The obligations expressed to be assumed by it under this Amendment and Restatement Agreement are legal, valid, binding and enforceable.

(c) The entry into and performance by it of, and the transactions contemplated by, this Amendment and Restatement Agreement do not and will not conflict with:

(i) any law or regulation applicable to it (including, without limitation, any anti-bribery and corruption laws, laws related to the prevention of money laundering and terrorist financing, Sanctions and export controls laws (including any requirement for import or export licenses));

(ii) its constitutional documents; or

(iii) any agreement or instrument binding upon it or any of its assets.

(d) No Insolvency Event has happened (or is pending or threatened) in respect of that Original Seller.

(e) In connection with this Amendment and Restatement Agreement and the fulfilment of its obligations under this Amendment and Restatement Agreement:

(i) it has not violated and shall not violate any applicable Anti-Bribery Laws;

(ii) it is not, and undertakes that it shall not, engage in the following conduct: making of payments or transfers of value, offers or promises or giving of any financial or other advantage, or requests, agreements to receive or acceptances of any financial or other advantage, either directly or indirectly, having the purpose, effect or acceptance of, or acquiescence in, public or commercial bribery or other unlawful or improper means of obtaining or retainingbusiness, commercial advantage or the

improper performance of any function or activity; and

(iii) it shall procure the compliance with the above obligations from its own associated persons or agents as may be used for its fulfilment of obligations under this Amendment and Restatement Agreement.

(f) Neither it nor any of its subsidiaries, directors, officers, employees, agents, or affiliates is a person that is, or is owned or controlled by any individual or entity that is:

(i) the subject of any Sanctions; or

(ii) located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions.

(g) It is in compliance and shall comply with all applicable data protection and other laws for the same or similar purpose in all relevant jurisdictions.

2.3 Repetition

Each of the representations and warranties sets out in Clauses 2.1 (*Repeating representations*) and 2.2 (*General representations*) above is deemed to be prorated made by each Original Seller on the Effective Date and on the date of each Offer that such Original Seller makes (or is made on its behalf by the Sellers' Agent) by reference to the facts and circumstances then existing on such date.

3. AGREEMENT OF THE PARTIES

Subject to the fulfilment of the conditions set forth in Clause 4.1 (*Conditions of amendments and supplements*) (or otherwise waived pursuant to Clause 4.2 (*Waiver of conditions*)), the Parties agree that, with effect from the Effective Date:

(a) the Original RPA shall be amended and restated in full in the form set out in the Annex (*Form of Amended and Restated RPA*); and

(b) all references in the other Transaction Documents to the Original RPA will be construed as referring to the Original RPA, as amended and restated by this Amendment and Restatement Agreement and as may be further amended, supplemented and/or restated from time to time.

4. CONDITIONS

4.1 Conditions of amendments and supplements

The agreement of the Parties contained in Clause 3 (*Agreement of the Parties*) is subject to the conditions that:

(a) no Termination Event is continuing or would result from the Amendments taking effect;

(b) the representations and warranties contained in Clause 2 (*Representations and warranties*) are true and correct in all material respects on the date of this

---

Amendment and Restatement Agreement and on the Effective Date; and

(c) the Bank has received all of the documents and other evidence listed in and appearing to comply with the requirements of the Schedule (*Conditions Precedent*).

4.2 **Waiver of conditions**

The conditions set out in Clause 4.1 (*Conditions of amendments and supplements*) are inserted solely for the time you are actively employed benefit of the Bank and may be waived by the Company. Bank, in whole or in part, and with or without conditions, without prejudicing the right of the Bank to require fulfilment of such conditions in whole or in part at a later date or any other right that the Bank may have under this Amendment and Restatement Agreement.

4.3 **Notification**

The Bank shall notify the Sellers' Agent promptly upon the conditions precedent specified in paragraph (c) of Clause 4.1 (*Conditions of amendments and supplements*) having been satisfied or otherwise waived.

5. **CONFIRMATION**

Save as specifically amended, supplemented and restated under Clause 3 (*Agreement of the Parties*):

(a) the terms, conditions and provisions of the Original RPA and the other Transaction Documents shall remain legal, valid, binding and enforceable and shall continue in full force and effect; and

(b) each of the Original Sellers and the Sellers' Agent confirms to the Bank that, notwithstanding the Amendments:

(i) its obligations and liabilities under the Original RPA and the other Transaction Documents to which it is a party shall not be discharged or reduced in any respect; and

(ii) nothing in this Amendment and Restatement Agreement shall constitute or be construed as a waiver or release of any right or remedy of the Bank under the Original RPA or any other Transaction Document (as amended, supplemented and restated by this Amendment and Restatement Agreement), nor otherwise prejudice any right or remedy of the Bank under the Original RPA or any other Transaction Document (as amended, supplemented and restated by this Amendment and Restatement Agreement).

6. **NOTICES**

Clause 19 (*Notices*) of the Original RPA shall apply to this Amendment and Restatement Agreement as if it were set out in full herein.

7. **GENERAL PROVISIONS**

7.1 **Further assurance**

Each Original Seller undertakes to execute and deliver such further documents and to do or refrain from doing such further acts as the Bank may reasonably require to implement, maintain and protect the interests, and to secure the rights, of the Company's Board of Directors (the "Compensation Committee") has overall responsibility for evaluating the final results Bank under the MICP, determining Original RPA and the amount other Transaction Documents as amended, supplemented and/or restated by this Amendment and Restatement Agreement.

7.2 **Partial invalidity**

The invalidity, illegality or unenforceability of any provision of this Amendment and Restatement Agreement under the law of any jurisdiction shall not affect the validity, legality or enforceability of:

(a) any other provision of this Amendment and Restatement Agreement under the law of that jurisdiction; or

(b) any provision of this Amendment and Restatement Agreement under the law of any other jurisdiction.

7.3 **Remedies and waivers**

(a) No failure to exercise, no delay in exercising and no single or partial exercise of any right or remedy a Party has or acquires under this Amendment and Restatement Agreement will:

(i) adversely affect that right or remedy;

(ii) waive it; or

(iii) prevent any further exercise of it or of any other right or remedy,

except to the extent the affected Parties have expressly agreed otherwise in writing.

(b) The rights and remedies arising from this Amendment and Restatement Agreement are cumulative. They are not exclusive of any other rights or remedies provided by law or otherwise except to the extent expressly stated otherwise.

7.4 **Counterparts**

This Amendment and Restatement Agreement may be entered into in any number of counterparts, each of which when executed and delivered may be treated as an original.

8. **GOVERNING LAW**

This Amendment and Restatement Agreement is governed by Hong Kong law.

9. **ENFORCEMENT**

The Parties submit to the non-exclusive jurisdiction of the final payout of your award, and has the sole discretion to adjust awards, upward or downward, based on its evaluation of the quality of results in any year and your individual performance up until the time an award is determined and paid. Your MICP award is contingent upon approval by the Compensation Committee and is not earned or vested until it is paid. Hong Kong courts.

You must be employed by the Company in good standing on the payment date to earn and receive an MICP award. In the event your employment with the Company terminates for any reason other than death before the MICP award is paid, including due to your voluntary termination, the MICP award will not be earned or vested, and you will have no right to receive, and the Company will have no obligation to pay to you, your MICP award. Your MICP award will be prorated for the time you were actively employed by the Company in the event your employment relationship with the Company ends as a result of your death. Your MICP award, if any, will be paid on or before March 15 of the subsequent calendar year.

Employee Benefits EXECUTION:

This Amendment and 401(k)) as described on Arrow Benefits (http://benefits.arrow.com). For most benefits, coverage begins Restatement Agreement has been entered into on the first day date stated at the beginning of this Amendment and Restatement Agreement.

THE SCHEDULE
CONDITIONS PRECEDENT

(a) A copy of this Amendment and Restatement Agreement duly executed by the parties hereto.

(b) Evidence satisfactory to the Bank that the legal adviser of the Original Sellers qualified in Hong Kong have delivered an opinion to the Original Sellers confirming that each sale of Receivables in accordance with the Amended RPA constitutes a true sale of those Receivables and not a loan or a security arrangement for any obligation of any Seller.

(c) Such other documents and information as the Bank may reasonably require.

EXECUTION of Amendment and Restatement Agreement

The Bank

Signed by person(s) who are authorised for **The Hongkong and Shanghai Banking Corporation Limited**

/s/ Jag SIDHU

Name: Jag SIDHU

Position: Division Head of Structured Trade Finance

/s/ Victor NG

Name: Victor NG

Position: Senior Vice President

RESTRICTED

S-1

The Original Sellers

Signed by person(s) who are authorised for **Arrow Electronics China Limited**

/s/ Bradley Windbigler

Name: Bradley Windbigler

Position: Attorney in Fact

/s/ J. Garrett Judge

Name: J. Garrett Judge

Position: Attorney in Fact

RESTRICTED S-2

Signed by person(s) who are authorised for **Arrow/Components Agent Limited**

/s/ Bradley Windbigler

Name: Bradley Windbigler

Position: Attorney in Fact

/s/ J. Garrett Judge

Name: J. Garrett Judge

Position: Attorney in Fact

RESTRICTED S-3

The Sellers' Agent

Signed by person(s) who are authorised for **Arrow Electronics China Limited**

/s/ Bradley Windbigler

Name: Bradley Windbigler

Position: Attorney in Fact

/s/ J. Garrett Judge

Name: J. Garrett Judge

Position: Attorney in Fact

RESTRICTED

S-4

THE ANNEX

FORM OF AMENDED AND RESTATED RPA

[*****] Indicates omitted information. This redacted information has been excluded because it is both (i) not material and (ii) of the month following one (1) calendar month type that the registrant treats as private and confidential.

Arrow/Components Agent Limited
as an Original Seller

Arrow Electronics China Limited
as Sellers' Agent

92650082

CONTENTS

Clause

Page

THIS AGREEMENT was originally dated 27 December 2023 and is amended and restated on the Effective Date by the Amendment and Restatement Agreement and made between:

(1) **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED**, acting through its office at HSBC Main Building 1 Queen's Road Central, Hong Kong (the "**Bank**");

(2) **ARROW ELECTRONICS CHINA LIMITED**, a company incorporated under the laws of Hong Kong with business registration number [*****] with its registered office at 2/F, Arrow Technology Center, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong as seller ("**AECL**");

(3) **ARROW/COMPONENTS AGENT LIMITED,** a company incorporated under the laws of Hong Kong with business registration number [*****] with its registered office at 2/F, Arrow Technology Center, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong as seller ("**ACAL**" and together with AECL, the "**Original Sellers**"); and

(4) **ARROW ELECTRONICS CHINA LIMITED**, a company incorporated under the laws of Hong Kong with business registration number [*****] with its registered office at 2/F, Arrow Technology Center, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong as sellers' agent (in such capacity, the "**Sellers' Agent**").

RECITALS

A The Sellers may wish to sell, and the Bank may wish to buy, Receivables generated by a Seller delivering goods and/or services in the course of its day-to-day trading activities to Eligible Buyers.

B This Agreement sets out the basis on which a Seller may request the Bank to purchase Receivables and, if the Bank agrees to purchase such Receivables, the terms that will govern that purchase.

It is agreed:

1 Definitions and Interpretation

The definitions and interpretation Clauses set out at Schedule 1 (*Definitions and Interpretation*) shall apply to this Agreement.

2 The Facility

2.1 **The Facility**

The Bank shall make available to the Sellers an uncommitted receivables purchase facility (the "Facility") on the terms set out in this Agreement (including the Schedules).

2.2 **Availability period**

The Facility will begin upon the Original Sellers fulfilling all the requirements set out in Clause 2.4 (*Conditions precedent for Original Sellers*) below to the Bank's satisfaction, and remain available until the earliest of:

2.2.1 the expiry of the Term;

2.2.2 notice of immediate termination is given by the Bank, following the occurrence of a Termination Event; and

2.2.3 the expiry of any notice given by the Bank to terminate the Facility, such notice to be given not less than 21 days prior to the intended termination date.

2.3 **Termination of the Facility**

On and from the date on which the Term expires or the date on which a termination notice given in accordance with Clause 2.2 (*Availability period*) becomes effective, the rights and obligations of each Party under this Agreement will terminate except:

2.3.1 rights and obligations that accrued before termination, or are expressed to survive termination, will survive; and

2.3.2 all Purchases that were made before termination will continue to be governed by this Agreement.

2.4 **Conditions precedent for Original Sellers**

The Bank will not provide the Facility to the Original Sellers until it has received the following, in a form acceptable to the Bank:

2.4.1 copies of the corporate authorisation(s) for each Original Seller to enter into this Agreement, naming and providing sample signatures for: (a) the person(s) authorised to sign this Agreement; and (b) each Original Seller's authorised signatories;

2.4.2 copies of the constitutional documents of each Original Seller;

2.4.3 a copy of this Agreement duly executed by the parties hereto;

2.4.4 a copy of a legal opinion from the legal adviser of the Original Sellers qualified in Hong Kong, in form and substance satisfactory to the Bank, on the capacity and existence of each Original Seller;

2.4.5 a copy of an undated Notice of Assignment in respect of each Eligible Buyer duly signed by the relevant Original Seller;

2.4.6 evidence satisfactory to the Bank as to the terms of the Policy, the existence of relevant Insurer Limits and that the Insurer has issued an endorsement in relation to the Policy which confirms that the Bank is co-insured and sole loss payee in relation to the Purchased Receivables under the Policy;

2.4.7 all documents and other evidence the Bank requires for its "know your customer" and other compliance checks on each Original Seller;

2.4.8 evidence satisfactory to the Bank that the legal adviser of the Original Sellers qualified in Hong Kong have delivered an opinion to the Original Sellers confirming that each sale of Receivables in accordance with this Agreement constitutes a true sale of those Receivables and not a loan or a security arrangement for any obligation of any Seller; and

2.4.9 such other documents and information as the Bank may reasonably require.

2.5 **Conditions precedent for Additional Sellers**

The Bank will not provide the Facility to an Additional Seller until it has received the conditions precedent documents and information set out in the relevant Seller Accession Agreement, in form and substance satisfactory to the Bank.

2.6 **Several liability of Sellers**

Each Seller is only liable for its own liabilities and obligations under this Agreement.

2.7 **Accounting Treatment**

Each Seller confirms that it:

2.7.1 has made and will continue to make its own assessment of the accounting treatment any Purchased Receivable will attract, consulting its auditors as appropriate; and

2.7.2 is not relying on any information provided by the Bank about possible accounting treatment.

2.8 **Uncommitted Facility**

The Facility is uncommitted so the Bank may decide whether to Purchase a Receivable in its absolute discretion.

2.9 **Conditions subsequent**

2.9.1 If there are any restrictions on assignment in a Contract that is the subject matter of any Receivable referred to in an Offer, the Original Sellers shall deliver to the Bank (in the case of any Contract subsisting on the Agreement Date) within five Business Days after the Agreement Date or (in the case of any Contract entered into after Agreement Date) on or before the date of making the Offer in relation to such Contract either (a) evidence that the Eligible Buyer(s) under such Contract have given consent to the assignment of the relevant Seller's rights, title and interests in, to and under that Receivable to the Bank or (b) a copy of a Hong Kong law governed power of attorney duly executed by each Original

Seller.

2.9.2 The Original Sellers shall deliver the following documents to the Bank within 10 Business Days after the Agreement Date:

(a) certified true copies of the corporate authorisation(s) for each Original Seller to enter into this Agreement, naming and providing sample signatures for: (i) the person(s) authorised to sign this Agreement; and (ii) each Original Seller's authorised signatories;

(b) a certified true copy of the constitutional documents of each Original Seller;

(c) this Agreement duly executed by the parties hereto;

(d) an original undated Notice of Assignment in respect of each Eligible Buyer duly signed by the relevant Original Seller; and

(e) if there are any restrictions on assignment in a Contract that is the subject matter of any Receivable referred to in an Offer, an original Hong Kong law governed power of attorney duly executed by each Original Seller.

3 Purchasing Receivables

3.1 **Original Sellers**

3.1.1 Subject to Clause 3.1.4 below, each Original Seller may irrevocably and unconditionally request the Bank to Purchase any Receivable by completing an offer in writing substantially in the form set out at Schedule 8 (*Form of Offer*) (or such other form acceptable to the Bank), or by submitting an offer through such other communication channel acceptable to the Bank (an "**Offer**"), including, without limitation, in accordance with Clause 19.5 (*Electronic communication*).

3.1.2 Subject to Clause 3.2 (*Conditions to Purchases*), Clause 3.1.5 and Clause 3.1.6, if the Bank elects to Purchase a Receivable:

(a) the Bank shall, on the Purchase Date, pay the Purchase Price to the relevant Seller in accordance with Clause 4 (*Purchase Price*); and

(b) on the Purchase Date, the relevant Seller, as legal and beneficial owner, hereby irrevocably sells and assigns to the Bank absolutely and with full title guarantee all the Seller's present and future rights, title and interests in, to and under that Purchased Receivable.

3.1.3 Subject to Clause 13.4, any Non-Vesting Purchased Receivable of an Original Seller, together with any proceeds of that Non-Vesting Purchased Receivable received by that Original Seller on or after the intended Purchase Date, shall be held by that Original Seller on trust for the Bank absolutely.

3.1.4 Each Original Seller (a) shall, on the third last Business Day of each calendar month during the period in which the Facility remains available pursuant to Clause 2.2 (*Availability period*), make an Offer to the Bank and (b) may, at its own discretion, make up to two additional Offers in any calendar month. When any Original Seller makes an Offer (other than the first Offer made by it under this Agreement) to the Bank, it shall deliver a report (a "**Payments Received Report**") to the Bank on the Collections that have been received by it in respect of the period from (and excluding) the date of the immediately previous Offer to (and including) the date of such Offer.

3.1.5 The Bank shall, on the Business Day after receipt of an Offer (other than the first Offer made by an Original Seller to the Bank under this Agreement), deliver to the Sellers' Agent a Funder Settlement Report.

3.1.6 Following the determination of the Payment Amount set out in the Funder Settlement Report referred to in Clause 3.1.5 above, on each Purchase Date (a) if the Payment Amount is positive, the Bank shall pay the Payment Amount to the Sellers and (b) if the Payment Amount is negative, the Sellers shall pay the full absolute value of the Payment Amount to the Bank.

3.2 **Conditions to Purchases**

The Bank's obligation to Purchase a Receivable on a Purchase Date (including its payment obligation under

3

Clause 4 (*Purchase Price*)) is, at any time, subject to:

(a) there being Facility Availability;

(b) there being Seller Availability in respect of the relevant Seller;

(c) the Credit Limit of the Eligible Buyer;

(d) no Termination Event having occurred which is continuing; and

(e) the representations made in connection with the Receivables offered for sale to the Bank remain correct on the date of payment of the Purchase Price in all material respects.

3.3 **Additional Sellers**

The terms on which an Additional Seller shall sell its Receivables to the Bank shall be set out in a Seller Accession Agreement.

3.4 **True sale**

The Parties confirm that each sale of Receivables in accordance with this Agreement is intended to constitute a true sale of those Receivables and not a loan or a security arrangement for any obligation of any Seller. Notwithstanding any other provision of the Transaction Documents, the Bank shall have full title and interest in and to the Receivables purchased by the Bank in accordance with this Agreement, subject only to the delivery of Notices of Assignment to the relevant Eligible Buyers.

3.5 **General**

3.5.1 If requested by the Bank, to the extent not already provided to the Bank, a Seller shall in respect of each Eligible Buyer:

(a) do all such things and enter into all such documents as are necessary to (i) (prior to a Notice of Assignment being sent to that Eligible Buyer pursuant to Clause 3.5.3 below) effect the sale and equitable assignment of Receivables of that Eligible Buyer and (ii) (at any time on or after a Notice of Assignment has been sent to that Eligible Buyer pursuant to Clause 3.5.3 below) effect and/or perfect the sale and transfer of any Receivable of that Eligible Buyer on payment of the Purchase Price by the Bank;

(b) provide a copy of the relevant invoices and any related Contracts; and

(c) provide proof of delivery of all goods sold and/or performance of services required under the relevant Contracts.

3.5.2 The Bank is not obliged to reassign a Purchased Receivable to a Seller.

3.5.3 If a Trigger Event occurs in respect of an Eligible Buyer or any Purchased Receivables of that Eligible Buyer:

(a) on the Bank's request and on such date as the Bank may specify, the relevant Seller undertakes to send a Notice of Assignment to that Eligible Buyer in respect of any Purchased Receivable assigned by it to the Bank in accordance with the terms of this Agreement; and

(b) the Bank may send a Notice of Assignment in respect of the relevant Receivable(s) to that Eligible Buyer.

3.5.4 On the Bank's request and on such date as the Bank may specify, each Seller undertakes to provide the Bank with duly executed powers of attorney in form and substance satisfactory to the Bank to grant the Bank the power to, following the occurrence of a Trigger Event in respect of an Eligible Buyer or any Purchased Receivables of that Eligible Buyer:

(a) notify that Eligible Buyer of the assignment of the relevant Receivable(s) on the relevant Seller's behalf;

(b) do anything necessary in the name of the relevant Seller to perfect such assignment(s); and

(c) take any collection activity necessary in respect of the relevant Receivable(s) in the name of the relevant Seller if required.

4

---

4 Purchase Price

Subject to Clause 3.1.6, Clause 12.3 (*Set-off*) and Clause 14 (*Net Settlement*), if the Bank accepts an Offer, the Bank shall pay the Purchase Price for each Purchased Receivable to the Seller Account of the relevant Seller on the Purchase Date, being two Business Days following the date of the Offer. All monies paid by the Bank pursuant to this Clause 4 shall be applied towards any outstanding Purchase Price of Purchased Receivables in the order specified by the Bank (in its sole discretion).

5 Limited recourse

Without prejudice to Clause 10.5 (*Deductible*), Clause 22.2 (*Indemnities of Sellers and Sellers' Agent*) and the Bank's rights directly or indirectly related to the Policy pursuant to this Agreement, if an Eligible Buyer fails to pay some or all of a Purchased Receivable, provided that no Repayment Event has occurred, the Bank shall have no recourse to the Sellers or the Sellers' Agent for the amount of that non-payment or shortfall.

6 Eligible Buyers and Credit Limits

6.1 Eligible Buyers

The Sellers' Agent may request in writing to the Bank to include additional Buyers in the Eligible Buyers Listing and the Bank may approve or disapprove such request in accordance with Clause 6.3 (*Mechanism for amending the Eligible Buyers Listing*) and on such conditions reasonably required by the Bank (including establishing additional Credit Limits).

6.2 Credit Limits

6.2.1 The Bank has established the Credit Limits in relation to the Eligible Buyers.

6.2.2 The Sellers' Agent may request in writing to the Bank to establish additional Credit Limits or vary any existing Credit Limit and the Bank may approve or disapprove such request in accordance with Clause 6.3 (*Mechanism for amending the Eligible Buyers Listing*) and on such conditions reasonably required by the Bank.

6.2.3 The Bank may, at its own discretion, increase any existing Credit Limit or establish additional Credit Limits from time to time on notice to the Sellers' Agent in accordance with Clause 6.3 below.

6.2.4 In the exercise of its reasonable commercial judgement, and if necessary to preserve or protect the Bank's interest in Purchased Receivables, the Bank may (without any request or consent from the Sellers' Agent or any Seller) decide to:

(a) reduce or cancel a Credit Limit by amendment on 21 days' notice to the Sellers' Agent, or such shorter period as the Bank and the Sellers' Agent may agree, with such reduction or cancellation to take effect on the expiry of the notice period; and

(b) reduce or cancel a Credit Limit by amendment immediately on notice to the Sellers' Agent if at any time the Bank has reason to believe that the Eligible Buyer is or may be unable to meet its payment obligations in respect of Outstanding Purchased Receivables when due or is otherwise unable to perform its contractual obligations under a Contract.

6.2.5 If the Bank reduces a Credit Limit to zero, any Receivables payable by the relevant Eligible Buyer after the date of such reduction (other than Outstanding Purchased Receivables) shall be ineligible for Purchase.

6.3 Mechanism for amending the Eligible Buyers Listing

6.3.1 If the Bank agrees to approve a request from the Sellers' Agent or otherwise decides to increase, establish, reduce, cancel or vary a Credit Limit or remove an Eligible Buyer from the Eligible Buyers Listing, in each case, in accordance with this Clause 6, the Bank shall give notice of amendment of the Eligible Buyers Listing to the Sellers' Agent.

6.3.2 The Parties agree that the Eligible Buyers Listing shall be duly amended on the date of each notice of amendment given by the Bank pursuant to this Clause 6 and from that date the Eligible Buyers Listing shall be construed as amended, taking in to account the latest amendment notified and each previous amendment notified (to the extent not superseded by a subsequent amendment).

6.3.3 On request by the Sellers' Agent, the Bank may, but is not obliged to, provide to the Sellers' Agent a copy of the Eligible Buyers Listing incorporating all amendments made by notices pursuant to this Clause 6.3 for information purposes only.

7 Sellers' representations

7.1 **General representations**

Each Seller represents and warrants, on the Agreement Date or the date of its Seller Accession Agreement (as applicable) and the date of each Offer that that Seller makes (or is made on its behalf by the Sellers' Agent):

7.1.1 it has the power and authority to enter into, and perform its obligations under, each Transaction Document to which it is a party;

7.1.2 the obligations expressed to be assumed by it under each Transaction Document to which it is a party are legal, valid, binding and enforceable;

7.1.3 the entry into and performance by it of, and the transactions contemplated by, each Transaction Document to which it is a party do not and will not conflict with:

(a) any law or regulation applicable to it (including, without limitation, any anti-bribery and corruption laws, laws related to the prevention of money laundering and terrorist financing, Sanctions and export controls laws (including any requirement for import or export licenses));

(b) its constitutional documents; or

(c) any agreement or instrument binding upon it or any of its assets;

7.1.4 no Insolvency Event has happened (or is pending or threatened) in respect of that Seller;

7.1.5 in connection with this Agreement and the fulfilment of its obligations under each Transaction Document to which it is a party:

(a) it has not violated and shall not violate any applicable anti-bribery and anti-corruption laws and regulations, including, but not limited to, any relevant provision of any applicable anti-bribery laws and regulations in force in the jurisdiction where it and the Bank are domiciled and operate ("**Anti-Bribery Laws**");

(b) it is not, and undertakes that it shall not, engage in the following conduct: making of payments or transfers of value, offers or promises or giving of any financial or other advantage, or requests, agreements to receive or acceptances of any financial or other advantage, either directly or indirectly, having the purpose, effect or acceptance of, or acquiescence in, public or commercial bribery or other unlawful or improper means of obtaining or retaining business, commercial advantage or the improper performance of any function or activity; and

(c) it shall procure the compliance with the above obligations from its own associated persons or agents as may be used for its fulfilment of obligations under this Agreement; and

7.1.6 neither it nor any of its subsidiaries, directors, officers, employees, agents, or affiliates is a person that is, or is owned or controlled by any individual or entity (each a "**Person**") that is:

(a) the subject of any Sanctions issued, administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control, the US Department of State, the United Nations Security Council, the European Union, His Majesty's Treasury, or the Hong Kong Monetary Authority (collectively, "**Sanctions**"); or

(b) located, organised or resident in a country or territory that is, or whose government is, the subject of Sanctions; and

7.1.7 it is in compliance and shall comply with all applicable data protection and other laws for the same or similar purpose in all relevant jurisdictions.

7.2 **Receivables specific warranties**

<u>On the date of each Offer, the Seller making that Offer (or on whose behalf that Offer is made by the Sellers' Agent) makes the following representations and warranties in relation to each Receivable offered for sale in that Offer:</u>

7.2.1 the Receivable legally exists, has been originated by that Seller in the ordinary course of its business from the sale of goods and/or delivery of services, and is payable by an Eligible Buyer and (at all times during the Credit Insurance Co-insured Period) the relevant Eligible Buyer is insured under the Policy and the Insurer Limit specified in this Agreement or otherwise notified to the Bank by that Seller, as varied from time to time in accordance with Clause 6.3 (*Mechanism for amending the Eligible Buyers Listing*)or otherwise, is correct;

7.2.2 immediately upon the assignment of the Receivable to the Bank, it is to have no continuing proprietary interest in the Receivable;

7.2.3 an invoice has been raised evidencing the Receivable (which contains the Eligible Buyer's name, invoice number, invoice amount, invoice date, shipment date and reference number) and the correct details of the Eligible Buyer and purchase order number appear on documents evidencing the Receivable;

7.2.4 all the goods and/or services to which that Receivable relates have been delivered by that Seller in accordance with the relevant Contract, such delivery of goods and/or services and/or dispatch of goods being (unless otherwise agreed with the Bank) to the Eligible Buyer in its jurisdiction as stated in the Eligible Buyers Listing (as amended from time to time);

7.2.5 the Receivable has not been the subject of a previous Offer;

7.2.6 the Receivable is payable in an Approved Currency, as stated in the Offer, and (unless otherwise agreed with the Bank) the payment is due from the Eligible Buyer in the jurisdiction as stated in the Eligible Buyers Listing (as amended from time to time);

7.2.7 the relevant Contract is governed by the governing law as specified in the Eligible Buyers Listing and the Receivable created under it is freely assignable;

7.2.8 the Due Date is not more than the number ofdays after the relevant date as specified in the "Tenor of payment" column of the Eligible Buyers Listing and has not yet occurred;

7.2.9 the relevant Eligible Buyer is obliged to pay the full amount of that Receivable on its Due Date in accordance with the relevant Contract and that Contract is valid, legal, binding and enforceable against the Eligible Buyer in accordance with its written terms so far as that Contract relates to the Receivable;

7.2.10 there is no dispute (existing or threatened) between that Seller and the Eligible Buyer in relation to the relevant Contract or any other contract or commercial arrangement that may result in the Eligible Buyer exercising any right of set-off or counterclaim against the Eligible Buyer's obligation to pay the Receivable;

7.2.11 that Seller's rights under the relevant Contract (so far as they relate to the Receivable):

(a) are legally and beneficially owned by that Seller;

(b) are not, and will not become, subject to any Security or other third party rights; and

(c) may be freely assigned to the Bank without condition;

7.2.12 the information set out in the relevant Offer, and any copy of the invoice relating to that Receivable or of its Contract (or the Standard Contract on which that Contract is based) that that Seller has provided to the Bank, is true, complete and up to date. Where that Seller has not provided the Bank with a copy of the Contract but only with a copy of the Standard Contract on which the Contract is based, the Contract does not vary in any material respect relevant to that Receivable from the form of the Standard Contract;

7.2.13 except as notified to the Bank in writing and accepted by the Bank in writing, no payment due from the Eligible Buyer to that or any other Seller is overdue by more than 30 days beyond its due date;

7.2.14 the relevant Eligible Buyer is not an Associate;

7.2.15 the Receivable does not relate, in whole or in part, to late payment interest or a claim for damages by that Seller, unless otherwise agreed by the Bank;

7.2.16 the Receivable, at the time it arises, is not owing by an Eligible Buyer in respect of which a Buyer Payment Problem Event has occurred;

7.2.17 the Net Value of the Receivable exceeds the amount of USD10,000;

7.2.18 no law or regulation prohibits the relevant Eligible Buyer from making the relevant payment to the relevant Seller and/or the Bank on the Due Date; and

7.2.19 no Political Risk Event has occurred in relation to the Receivable.

7.3 **Reliance**

When paying any Purchase Price for a Receivable to a Seller Account, the Bank is relying on the representations and warranties set out in this Clause 7.

8 Sellers' undertakings

8.1 **General undertakings**

8.1.1 Each Seller shall, while it has Outstanding Purchased Receivables:

(a) maintain operational procedures aimed at ensuring, in line with good industry practice, that it:

(i) does not breach any sanction imposed by the United Nations Security Council, the European Union, the United States or any jurisdiction in which it operates;

(ii) complies with Anti-Bribery Laws in all the jurisdictions in which it operates; and

(iii) is not party to, or used by any other person for, any money laundering or terrorism financing or sanctioned activity;

(b) promptly on becoming aware of the same, notify the Bank if any bribery, money laundering, corruption, tax evasion, Sanctions or terrorism financing issue arises in connection with this Agreement or a Receivable; and

(c) promptly on request but no more frequently than weekly in respect of paragraph (i) below and no more frequently than monthly in respect of paragraph (ii) below, provide the Bank with any information the Bank reasonably requests, and in such format as the Bank reasonably requests, about:

(i) the Seller's Receivables (including granular data in respect of each Receivable) and their performance such as, but not limited to, average dilution rates and the reasons for dilution, average debtor days, the Seller's invoice records systems and the Seller's debt collection procedures; or

(ii) its operational procedures for complying with its undertaking under Clause 8.1.1(a) and compliance with such procedures.

8.1.2 Each Seller undertakes to comply with the provisions of all applicable data protection laws.

8.1.3 Each Seller:

(a) acknowledges that it is the policy of the Bank (to the extent it is legally permitted to do so under the laws of its jurisdiction of incorporation and any relevant jurisdiction in which it operates) to comply with all Sanctions and agrees that the Bank will not be liable for non-performance of any obligations under this Agreement if its failure to act is due to its adherence to its policy to comply with Sanctions; and

(b) shall not, directly or indirectly, use any benefit derived from this Agreement to fund any activities or business of or with any person or in any country or territory, that is, or whose government is, the subject of Sanctions; or in any other manner that would result in a violation of Sanctions by any Person.

8.1.4 Each Seller undertakes to comply with applicable laws and regulations in force in respect of: (a) the terms of payment applicable to its relationships with Eligible Buyers and (b) its commercial activities.

8.2 **Receivables specific undertakings**

8.2.1 For each Outstanding Purchased Receivable, the relevant Seller shall, promptly on becoming aware of it, notify the Bank of details in respect of:

(a) any dispute of the type described in Clause 7.2.10;

(b) any breach by the Eligible Buyer of any contract between that or any other Seller and the Eligible Buyer, the breach of which may indicate that the Eligible Buyer is unlikely to perform its obligation to pay any Purchased Receivable; or

(c) any Buyer Payment Problem Event occurring or becoming inevitable or likely.

8.2.2 For each Outstanding Purchased Receivable, the relevant Seller shall:

(a) comply with its material obligations under the Contract and/or Standard Contract;

(b) promptly on request provide the Bank with a copy of the invoice relating to that Purchased Receivable, the Contract and/or Standard Contract and any amendment to any of them that affects that Purchased Receivable and all other documents relating to that Purchased Receivable as the Bank may reasonably require;

(c) not, without the Bank's prior consent, change or waive the Payment Terms or change or waive any other term of the Contract and/or Standard Contract that may prejudicially affect that Purchased Receivable; and

(d) not assign, transfer or grant any Security or other interest over all or any part of the Purchased Receivable.

8.2.3 Each Seller undertakes that where:

(a) it has sent a Notice of Assignment to an Eligible Buyer on instructions of the Bank given in accordance with Clause 3.5.3; and

(b) such Notice of Assignment contains an instruction to such Eligible Buyer that payments of Purchased Receivables should be made directly to an account held by the Bank in the Bank's name (whether a Bank Collection Account or such other account as may be nominated by the Bank),

it shall:

(i) subject to Clauses 13.4, until such time that it has made payment to the Bank in accordance with paragraph (ii) below, hold any Collections that it receives from such Eligible Buyer (or from any other source) in relation to any Purchased Receivable the subject of the relevant Notice of Assignment on trust for the Bank absolutely; and

(ii) promptly pay such amounts to the Bank.

8.2.4 Each Seller undertakes to permit the Bank to conduct one survey per calendar year with regard to the applicable Contracts, the Purchased Receivables and all rights related thereto at that Seller's relevant premises during normal business hours and upon reasonable notice (although no notice shall be given, and an additional survey may be conducted, following the occurrence of a Termination Event which is continuing).

8.2.5 Each Seller shall promptly on request provide the Bank with any information the Bank reasonably requests about any Outstanding Purchased Receivables and their performance.

8.2.6 Each Original Seller agrees to each of the undertakings and acknowledgements set out in the Credit Insurance Undertakings and Acknowledgements.

9 Termination Events

Each of the events or circumstances set out in this Clause 9 is a Termination Event:

(a) a Seller breaches (i) in any material respect any undertaking or other material obligation given or

undertaken by it in this Agreement (other than (1) the warranties in Clause 7 (*Sellers' representations*) and (2) those referred to in Clauses 8.1.1(b), 8.1.2, 8.1.3 and 8.1.4)or(ii) in any respect Clauses 8.1.1(b), 8.1.2, 8.1.3 and 8.1.4 (or any of them);

(b) a Seller does not pay on the due date any amount payable to the Bank pursuant to the terms of this Agreement;

(c) the occurrence of an Insolvency Event in relation to any Seller, or any step is taken which is likely to result in such an Insolvency Event;

(d) any person, who has waived or released its rights to any Seller's Purchased Receivables, withdraws or attempts to withdraw such waiver or release or otherwise asserts any interest in any Seller's Purchased Receivables;

(e) it is or becomes unlawful for a Seller (in any capacity whatsoever) to perform any of its obligations under the Transaction Documents; or

(f) it is or becomes unlawful for the Bank to perform any of its obligations under the Transaction Documents or any of the Transaction Documents ceases to be legal, valid, binding and enforceable.

10 Failure to pay by an Eligible Buyer and Repayment Events

10.1 **Failure to pay by an Eligible Buyer**

If an Eligible Buyer fails to pay the amount of any Purchased Receivable in full on or before the end of the Waiting Period, the relevant Seller undertakes to promptly provide to the Bank:

10.1.1 details of any dispute notified to the relevant Seller that affects the Purchased Receivable (if not previously advised to the Bank);

10.1.2 the original Contract;

10.1.3 the relevant invoice and all evidence of proof of delivery;

10.1.4 copies of all communications (including written records of material oral communications, if any) with the Eligible Buyer relating to the Purchased Receivable(s) that has/have not been paid in full; and

10.1.5 any other information relevant to the Purchased Receivable(s) that the Bank reasonably requests.

10.2 **Repayment Events**

If at any time a Repayment Event has occurred in relation to a Purchased Receivable, the relevant Seller agrees to notify the Bank promptly. In relation to any Repayment Event affecting a Receivable, the Bank and the relevant Seller agree that the loss suffered by the Bank in respect of that Receivable as a result of that Repayment Event will be a sum equal to the difference between the Net Value of that Receivable and the amount that has actually been received by the Bank in respect of that Receivable at the time the Bank made the Request (as defined below). At the Bank's determination in its sole discretion and upon the Bank's request (the "Request"), the relevant Seller undertakes to carry out the following:

(a) that Seller shall raise a credit note (or other similar book keeping entry) in favour of the relevant Eligible Buyer for an amount equal to that difference in accordance with its standard sales ledger practices; and/or

(b) that Seller shall promptly on demand pay an amount equal to that difference to the Bank, in discharge of the loss suffered by the Bank as a result of the Repayment Event in respect of the relevant Receivable,

provided that, notwithstanding any other provision of this Agreement, but subject to the relevant Seller having carried out the actions under paragraphs (a) and/or (b) above (as applicable) in accordance with the relevant Request, if the Bank subsequently receives any amount in respect of that Receivable after the time of that Request (other than pursuant to paragraph (b) above), the Bank shall hold such amount on trust absolutely for the relevant Seller and shall promptly pay such amount to the relevant Seller.

10.3 **Further assurance in respect of Purchased Receivables**

Each Seller undertakes to:

10.3.1 execute and deliver such further documents and to do or refrain from doing such further acts as the Bank may reasonably require to implement, perfect, protect or enforce any Purchased Receivable or the Bank's title to such Purchased Receivables, or to facilitate the appropriation or realisation of any funds or other assets in or towards discharge of an Eligible Buyer's obligation to pay a Purchased Receivable; and

10.3.2 not do, cause or permit to be done or omit to do anything that may:

(a) result in the receipt or recovery of monies payable under or in connection with any Purchased Receivable being delayed, prevented or impeded;

(b) impair the legal effect of the Bank's title to any Purchased Receivable or of any rights forming part of any Purchased Receivable; or

(c) depreciate, jeopardise or otherwise prejudice the value of any Purchased Receivable.

10.4 The Bank shall reimburse each Seller for any out-of-pocket expenses that Seller reasonably incurs in helping the Bank with any enforcement action pursuant to a request by the Bank under Clause 10.3.1.

10.5 **Deductible**

If the Insurer:

(a) deducts, or is entitled to deduct, any amount representing all or any part of a Non-Covered Amount from any claim made in respect of a Purchased Receivable; or

(b) does not cover, or is entitled to not cover, any amount representing all or any part of a Non-Covered Amount of any claim made in respect of a Purchased Receivable,

the relevant Seller shall (i) promptly notify the Bank and (ii) pay the Bank an amount equal to that amount promptly upon demand.

11 Purchase Fee

Each Seller shall pay a Purchase Fee to the Bank in relation to each Purchased Receivable purchased by the Bank from that Seller. On each Settlement Date, each Seller shall pay any Purchase Fees which are accrued but unpaid on that Settlement Date.

12 Payments

12.1 Day count convention

Any interest or fee accruing under this Agreement shall accrue and be calculated day to day, using the actual number of days elapsed and (in the case of an amount denominated in US Dollars) a 360-day year or (in the case of any amount denominated in a currency (other than US Dollars)) any other day count convention which is the market practice norm for the relevant currency.

12.2 VAT

12.2.1 All amounts expressed to be payable under this Agreement by a Seller to the Bank which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply.

12.2.2 If VAT is or becomes chargeable on any supply made by the Bank to any Seller under this Agreement and the Bank is required to account to the relevant tax authority for the VAT, that Seller shall pay to the Bank (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and the Bank shall promptly provide an appropriate VAT invoice to that Seller).

12.3 Set-off

Following the occurrence of a Trigger Event:

12.3.1 without prejudice to the generality of Clause 12.3.2 (but subject to Clause 3.1.6 above). the Bank may set off any amount a Seller owes under Clause 10.2 (*Repayment Events*) or 11 (*Purchase Fee*) that is unpaid against any Purchase Price which is payable by the Bank in respect of Receivables purchased or to be purchased by the Bank from that Seller. For these purposes, the date of set-off shall be treated as the relevant Purchase Date; and

12.3.2 subject to Clause 3.1.6 above, the Bank may set off any obligation it owes a given Seller under the Transaction Documents against any obligation owed by that Seller to the Bank under the Transaction Documents, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

12.4 Default interest

12.4.1 If a Party (the "**Defaulting Party**") does not pay any amount due from it to the other party (the "**Payee Party**") under or in connection with this Agreement by its due date or (as the case may be) any mutually agreed grace period for such payments (both an overdue sum), the Defaulting Party shall pay the Payee Party interest on that overdue sum (or so much as from time to time remains unpaid). This interest shall be calculated daily by reference to the Applicable Rate plus one per cent.

12.4.2 Any interest accruing under this Clause 12.4 shall, unless otherwise indicated:

(a) be payable from the overdue sum's due date to the date of actual payment;

(b) be immediately payable on demand by the Payee Party;

(c) accrue before and after judgment.

12.5 Entitlement to funds

Each Seller shall only be entitled to funds pursuant to the Facility on account of the Purchase Price of Purchased Receivables specifically referable to such Seller, being Purchased Receivables which are readily identifiable as such and assigned to the Bank under this Agreement.

12.6 **Seller tax gross-up**

If any Tax deduction or withholding is made on any payment by a Seller to the Bank:

12.6.1 the amount payable to the Bank shall be increased so that the amount paid to the Bank is equal to the amount that would have been due if no such tax deduction or withholding had been required; and

12.6.2 that Seller shall pay the amount deducted or withheld to the relevant tax authority and provide evidence to the Bank if requested.

12.7 **Credit of monies from the Insurer**

Where the Bank receives any monies from the Insurer in respect of Purchased Receivables, it shall promptly (and in any event within 7 days), credit Facility Availability and relevant Seller Availability with the amount received net of any amounts deductible in respect of Tax.

13 Sellers as collection agents

13.1 Until the Bank notifies the Sellers' Agent otherwise, each Seller shall act as the Bank's collection agent for all Purchased Receivables referable to that Seller and, in that capacity, that Seller undertakes at its own expense to:

13.1.1 ensure that the time, attention and levels of skill, care and diligence it devotes to the administration and collection of Purchased Receivables are in line with good industry practice and at least the same as those it devotes to the administration and collection of receivables that Seller holds for its own account;

13.1.2 promptly procure payment by the relevant Eligible Buyers of those Purchased Receivables:

(a) directly into the Seller Receipts Account of the relevant Seller and on receipt to hold such monies on trust for the Bank absolutely in accordance with Clause 13.4 pending transfer to the relevant Bank Collection Account pursuant to Clause 13.1.5; or

(b) where a Notice of Assignment has been sent in accordance with Clause 3.5.3 above and such Notice of Assignment instructs an Eligible Buyer to make payment to an account of the Bank, directly to such account of the Bank;

13.1.3 promptly notify the Bank if any part of a Purchased Receivable due to be paid into the Seller Receipts Account of the relevant Seller is not paid into that Seller Receipts Account in full on or before its Due Date;

13.1.4 notify the Bank of receipt of any Collections;and

13.1.5 (a) subject to paragraph (b), transfer the credit balance of each Seller Receipts Account to the relevant Bank Collection Account on each Settlement Date (after giving effect to any applications by the relevant Seller on behalf of the Bank pursuant to Clause 14 (*Net Settlement*)), and (b) following the occurrence of a Trigger Event, if required by the Bank (at its absolute discretion), transfer the credit balance of each Seller Receipts Account to the Bank by crediting the relevant Bank Collection Account promptly upon receipt of such payment, but in any case no later than three Business Days of receipt of payment, or such other period the Bank may specify.

13.2 Each Seller undertakes to apply any monies received by a Seller from an Eligible Buyer in respect of Purchased Receivables in or towards discharge of Purchased Receivables in such order as the Bank determines at its sole discretion.

13.3 Where a Seller Receipts Account is held with the Bank, the relevant Seller hereby irrevocably authorises the Bank as account-holding bank for that Seller Receipts Account, following the occurrence of a Trigger Event, to debit from that Seller Receipts Account and transfer to the Bank any Collections that Seller receives into that Seller Receipts Account that that Seller is obliged to transfer to, and has not yet transferred to, the Bank.

13.4 Each Seller irrevocably undertakes to hold, and hereby declares that it does hold, all Collections Trust Property from time to time on trust absolutely for the Bank and itself (as beneficiaries) as follows:

13.4.1 for the Bank, to the extent of the Bank Collections Trust Interest from time to time; and

13.4.2 for each Seller, to the extent of the Seller Collections Trust Interest of that Seller from time to time.

14 Net Settlement

14.1 On each Business Day prior to the occurrence of a Trigger Event, amounts standing to the credit of a Seller Receipts Account shall be applied by the relevant Seller on behalf of the Bank to the payment to that Seller in cash of any Purchase Price which is payable pursuant to Clause 4 in respect of new Receivables purchased or to be purchased by the Bank from that Seller on that Business Day (in each case, in the order specified by the Bank in its sole discretion), such application being effected by transfer of the relevant amount from that Seller Receipts Account to that Seller's Seller Account.

14.2 Notwithstanding anything herein or in any other Transaction Document to the contrary (but subject to Clause 13.4), at any time:

14.2.1 prior to the occurrence of a Trigger Event, no Seller shall be required to segregate from its own funds any Collections then held on trust by it pursuant to Clause 13.1.2(a); and

14.2.2 after the occurrence of a Trigger Event, each Seller shall segregate from its own funds all Collections (including any Collections held on trust by it at the time the Trigger Event occurred).

15 Roles of the Sellers' Agent

Each Seller (other than the Sellers' Agent) authorises the Sellers' Agent, on behalf of that Seller, to:

(a) execute and agree any amendment agreement to any Seller Accession Agreement;

(b) execute and agree any amendments to this Agreement;

(c) receive on its behalf any notices or communications from the Bank that applies generally to this Agreement; and

(d) send Offers to the Bank on behalf of that Seller.

16 Changes to the Sellers

16.1 Additional Sellers

16.1.1 An affiliate of a Seller may ask to become party to this Agreement as a Seller by that affiliate and the Sellers' Agent executing and delivering to the Bank two executed paper originals of a Seller Accession Agreement. That affiliate shall become a Seller with effect from the date the Bank executes and dates that Seller Accession Agreement.

16.1.2 The Bank is under no obligation to agree to the accession of any person as a Seller. The Bank may:

(a) refuse to agree to any accession without giving reasons; and

(b) may impose conditions on its agreement to any accession.

16.2 Resignation of a Seller

A Seller (other than the Sellers' Agent) may cease to be a party to this Agreement by giving at least three months' notice in writing to the Bank (or by notice with immediate effect if that Seller has no Outstanding Purchased Receivables at that time). On and from the date that notice becomes effective against the Bank, that Seller shall cease to be a Seller under this Agreement and its rights and obligations under this Agreement will terminate except:

16.2.1 rights and obligations that accrued before termination, or are expressed to survive termination, will survive; and

16.2.2 all Purchases referable to that Seller that happened before termination will continue to be governed by this Agreement.

17 Amendments

This Agreement can be amended only by agreement in writing between the Parties or by the Sellers' Agent and the Bank in accordance with Clause 15 (*Roles of the Sellers' Agent*).

18 Remedies and waivers

18.1 No failure to exercise, no delay in exercising and no single or partial exercise of any right or remedy a Party has or acquires under this Agreement will:

18.1.1 adversely affect that right or remedy;

18.1.2 waive it; or

18.1.3 prevent any further exercise of it or of any other right or remedy,

except to the extent the affected Parties have expressly agreed otherwise in writing.

18.2 The rights and remedies arising from this Agreement are cumulative. They are not exclusive of any other rights or remedies provided by law or otherwise except to the extent expressly stated otherwise.

19 Notices

19.1 Notice details

For all notices, the postal address and email address (and the contact department or officer, if any) for:

19.1.1 each Original Seller, the Sellers’ Agent and the Bank are those set out below where this Agreement is executed by its authorised representatives; and

19.1.2 each Additional Seller are those set out in its Seller Accession Agreement,

or the most recent replacement postal address or email address or contact department or officer (if any) that Party has notified to the other Parties.

19.2 Notices in writing

Notices must be in writing and delivered:

19.2.1 by hand, prepaid signed-for post or email; or

19.2.2 by any electronic means the Bank and the Sellers' Agent agree in writing, subject to any additional applicable terms for use of such electronic means (if any).

19.3 Delivery

19.3.1 This Clause 19.3.1 is subject to Clause 19.3.2. A notice delivered on a Business Day between 9am and 5pm in the place of delivery is effective at delivery. A notice delivered outside these hours is effective at 9am in the place of delivery on the next Business Day after delivery. Unless the terms and conditions applicable to communications by electronic means (if any) states otherwise, any communication by electronic means will be effective only when actually received in readable form.

19.3.2 Any notice given to the Sellers’ Agent will be deemed to have been given to each and every Seller for which it is relevant.

19.4 Change of notice details

Each Party must give the others at least five Business Days' notice of any replacement of its postal or email address, department or officer for notices.

19.5 Electronic communications

Any communication between the Bank and each Seller or the Sellers' Agent by email or any other unauthenticated or non-secure electronic means is done at that Seller or the Sellers' Agent's risk. Each Seller acknowledges that email is not a secure form of communication and authorises the Bank to treat any email (including any attachments) the Bank receives that appears to come from an email address that the Sellers' Agent or a Seller has provided, as part of its contact details pursuant to this Clause 19 or otherwise, as genuine, complete and duly authorised by that Seller or the Sellers' Agent. Each Seller and the Sellers' Agent agree to indemnify the Bank against any loss, cost or liability the Bank incurs or suffers as a result of the Bank acting or otherwise relying on any email it receives in accordance with this Clause 19.5. Each Seller and the Sellers' Agent agree to the provisions of Schedule 7 (*Indemnity for electronic instructions*).

Each Seller permits the Bank, where the Bank considers it necessary or desirable for the purposes of this Agreement following a Trigger Event, to communicate with the relevant Eligible Buyers via email or any other unauthenticated or non-secure electronic means and agrees that the Bank will do so without any liability to each Seller or the Sellers’ Agent for any loss, cost or liability thereby arising.

19.6 English language

Any notice given under or in connection with any Transaction Document must be in English.

20 Disclosure

20.1 The provisions of this Clause 20 shall survive termination of this Agreement and shall bind each Party for a period of five years (or such other period as the relevant parties agree) from the date that Party ceases to be a Party to this Agreement.

20.2 Each Seller permits the Bank to pass on information it receives under or in connection with this Agreement:

(a) to any person to whom the Bank does or may assign or transfer any rights and/or obligations under this Agreement;

(b) to any company in the same group as the Bank or any affiliated company;

(c) to the Bank's sub-contractors, agents, service providers or professional advisers;

(d) as required by law or to any court or regulatory, supervisory or governmental authority; or

(e) to a federal reserve or central bank,

provided that, in the case of a disclosure under (a), (b) or (c) at a time when no amounts due to the Bank from that Seller under this Agreement are overdue for payment, the Party to whom the disclosure is to be made is bound to keep that information confidential and use it only for the purpose for which it has been disclosed.

20.3 Each Seller permits the Bank to pass on information it receives under or in connection with this Agreement with the prior written consent of the relevant Seller (such consent not to be unreasonably withheld, and if granted in respect of any person, is granted on a continuing basis (without the need for the Bank to seek further consent each time it passes on information to such person)):

(a) to any rating agency, insurer or other provider of credit protection to the Bank; or

(b) to any person with whom the Bank does or may enter into a sub-participation agreement and/or other risk mitigation (whether funded or risk basis) in respect of Receivables and/or this Agreement,

provided that, in the case of a disclosure at a time when no amounts due to the Bank from that Seller under this Agreement are overdue for payment, the Party to whom the disclosure is to be made is bound to keep that information confidential and use it only for the purpose for which it has been disclosed.

20.4 The disclosure rights the Bank has under this Clause 20 are in addition to any it may have under any other agreement with that Seller or at law.

21 Tax

21.1 Each Seller undertakes to provide the Bank on request with any information or documentary evidence about:

21.1.1 that Seller’s tax status; or

21.1.2 the identity or tax status of any of that Seller’s ultimate or intermediate owners, that the Bank considers (acting reasonably) is needed to comply (or demonstrate compliance, or avoid non-compliance) with any HSBC Group member's obligations to any local or foreign tax or regulatory authority (the “**Tax Information**”).

21.2 Each Seller authorises (and undertakes on request to obtain the written authority or consent of any of that Seller’s ultimate or intermediate owners for) any HSBC Group member to disclose:

21.2.1 that Seller’s or its ultimate or intermediate owners’ Tax Information (as applicable);

21.2.2 information about the Facility; and

21.2.3 the link between the Facility and any payments of Purchase Price and that Seller or its ultimate or intermediate owner(s), to any local or foreign tax or regulatory authority.

21.3 Each Seller agrees that the Bank may:

21.3.1 make any deduction on account of Tax that the Bank is required to make by any local or foreign tax or regulatory authority from or in respect of any payment made to that Seller, or to another person at that Seller’s request or instruction, in connection with the Facility or any payment of Purchase Price; and

21.3.2 pay the amount deducted to the relevant tax or regulatory authority.

21.4 If the Bank becomes aware that it must make a deduction (or that there is any change in the rate or other basis for calculating the amount of a deduction) it shall notify the relevant Seller(s).

21.5 Nothing in this Agreement will oblige the Bank to act or refrain from acting in any way that might:

21.5.1 cause it to breach any legal or regulatory requirement, any contractual obligation or Bank policy; or

21.5.2 harm the Bank's or HSBC Group's reputation.

22 General

22.1 Third party rights

A person who is not party to this Agreement may not enforce any term of this Agreement under the Contracts (Rights of Third Parties) Ordinance. The Sellers' Agent, the Sellers and the Bank may change any term of this Agreement without the consent of any person who is not party to it.

22.2 Indemnities of Sellers and Sellers' Agent

22.2.1 Each Seller shall indemnify the Bank against any cost, loss or liability (including legal fees) (in the case of sub-paragraph (a) only, to the extent reasonable) the Bank incurs:

(a) for the negotiation, preparation, amendment, variation or replacement of a Transaction Document;

(b) for the enforcement or the preservation of any rights under a Transaction Document;

(c) for any stamp duty, VAT, registration tax or other similar tax payable in respect of any Purchase, or any title transfer in which that Seller is involved effected pursuant to any of them;

(d) resulting directly or indirectly from that Seller failing to make a deduction or withholding required by a relevant tax authority;

(e) as a result of any breach by that Seller of a Transaction Document; and

(f) as a result of the Bank making a payment under Clause 4 (*Purchase Price*) at a time when it was not obligated to due to any condition in Clause 3.2 (*Conditions to Purchases*) not being satisfied.

22.2.2 The Sellers' Agent shall indemnify the Bank against any cost, loss or liability the Bank incurs for any stamp duty, VAT, registration tax or other similar tax payable in respect of this Agreement that is not related to any particular Purchase or a particular Seller, or otherwise covered by the indemnity in Clause 22.2.1.

22.2.3 Each Seller shall pay any amount it owes under Clause 22.2.1, and the Sellers' Agent shall pay any amount it owes under Clause 22.2.2, within five Business Days of demand.

22.2.4 Each Seller shall take any action legally permitted to assist in collecting any VAT refund for the benefit of the Bank following credit losses on a Receivable.

22.3 Transfers and assignments

22.3.1 No Seller nor the Sellers' Agent may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Bank (such consent not to be unreasonably withheld).

22.3.2 The Bank may not assign or transfer this Agreement, or any of its rights and/or obligations under this Agreement, without the prior written consent of the Sellers (such consent not to be unreasonably withheld), provided that (a) the Sellers' consent is deemed to be given if none of the Sellers notifies the Bank of its refusal of consent in writing within 10 Business Days from the date that the request is received by the Sellers; and (b) no consent is required if the assignment or transfer is made (i) when a Termination Event is continuing or (ii) to an affiliate of the Bank.

22.3.3 The Bank may assign or transfer any of its rights and/or obligations in relation to any Purchased Receivable, whether in whole or in part (including by way of sub-participation arrangements and/or other risk mitigation), to any person without the consent from any Seller or the Sellers' Agent.

22.3.4 Each of the Sellers and the Sellers' Agent hereby agrees to take all steps and/or do all things as the Bank may request (a) to effect any assignment or transfer contemplated in this Clause 22.3 and/or (b) (i) at any time, perfect any assignment or transfer contemplated in Clause 22.3.2 or (ii) on or at any time after the serving of a Notice of Assignment pursuant to Clause 3.5.3 in respect of a Purchased Receivable, perfect any assignment or transfer of that Purchased Receivable contemplated in Clause 22.3.3.

22.3.5 This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns and/or transferees, if any, of the Parties.

22.4 **Partial invalidity**

The invalidity, illegality or unenforceability of any provision of this Agreement under the law of any jurisdiction shall not affect the validity, legality or enforceability of:

22.4.1 any other provision of this Agreement or any Purchase under the law of that jurisdiction; or

22.4.2 any provision of this Agreement or any Purchase under the law of any other jurisdiction.

22.5 **Counterparts**

This Agreement may be entered into in any number of counterparts, each of which when executed and delivered may be treated as an original.

22.6 **Sanctions, AML etc**

22.6.1 Each Seller acknowledges and agrees that:

(a) the Bank and/or each HSBC Group member and each of HSBC Group's service provider are required to act in accordance with the laws and regulations of various jurisdictions, including those which relate to Sanctions and the prevention of money laundering, terrorist financing, bribery, corruption, export controls and tax evasion;

(b) the Bank may take, and may instruct other members of the HSBC Group to take, to the extent it or such member is legally permitted to do so under the laws of its jurisdiction, any action (a "**Compliance Action**") which the Bank or any other member, in its sole discretion, considers appropriate to act in accordance with Sanctions, export controls or other domestic and foreign laws and regulations. Such Compliance Action may include but is not limited to the interception and investigation of any payment, communication or instruction; the making of further enquiries as to whether a person or entity is subject to any Sanctions or export control restrictions; and the refusal to process any transaction or instruction that does not conform with Sanctions or export controls; and

(c) neither the Bank nor any member of HSBC Group will be liable to any Seller for any loss, damage, delay, or a failure of the Bank to perform its duties under this agreement arising out of or relating to any Compliance Action taken by the Bank or any HSBC Group member in its sole discretion.

22.6.2 Each Seller shall indemnify the Bank for all Losses suffered or incurred by or brought against the Bank arising out of or relating to any Compliance Action, unless such Losses are solely and directly caused by the gross negligence or wilful misconduct of the Bank.

22.7 **Sellers' Tax liabilities**

Each Seller acknowledges and agrees that it is responsible for its own liabilities in respect of Tax and in no circumstances does that Seller intend the Bank to liable for any such Taxes and shall indemnify the Bank against Losses suffered or incurred by or brought against the Bank arising out of that Seller's liability for Tax (whether such Tax should be deducted or otherwise).

23 Governing law and enforcement

23.1 **Governing law**

Hong Kong law governs this Agreement, each Offer, any acceptance of such Offer and each Seller Accession Agreement and their interpretation.

23.2 **Jurisdiction**

The parties submit to the non-exclusive jurisdiction of the Hong Kong courts.

Executed by the Bank, each Original Seller and the Sellers' Agent or their authorised representatives.

Schedule 1-Definitions and Interpretation

1 Interpretation

1.1 Unless a contrary indication appears, any reference to:

(a) any matter or thing being acceptable or satisfactory means that matter being acceptable or satisfactory to the Bank in its discretion (acting reasonably);

(b) this Agreement, a Seller Accession Agreement, or any agreement or instrument is a reference to that agreement or instrument as amended, novated, restated, supplemented, extended or replaced;

(c) any bank account is a reference to that account as it may be renumbered, redesignated or replaced and includes any of its sub-accounts;

(d) a Clause or Schedule is a reference to a Clause of, or Schedule to, this Agreement;

(e) the words **including** (and its derivations) and in particular must be construed as being for illustration or emphasis only and not as limiting the generality of any preceding words;

(f) the words **other** and **otherwise** must not be construed as being limited by the context in which they appear or the words that precede them where a wider construction is possible;

(g) any person includes any assignee, transferee, successor-in-title, delegate or appointee of that person (but, in the case of parties, only permitted assignees, transferees etc.). It also includes any individual, company or other body corporate, any state or state agency or any unincorporated body, association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);

(h) a time of day is a reference to local time at the location of the relevant office of the Bank;

(i) any matter or thing being deemed to occur means the Bank and/or the relevant Seller is entitled to presume it absent contrary information within that Party's knowledge; and

(j) a Termination Event is continuing if it has not been remedied to the satisfaction of the Bank or waived.

1.2 Clause and Schedule headings are for ease of reference only.

2 Definitions

In this Agreement unless otherwise indicated, the following definitions apply:

"Additional Seller"means an affiliate of an Original Seller that has become a party to this Agreement pursuant to the terms of a Seller Accession Agreement.

"Agreement Date" means 27 December 2023.

"Amendment and Restatement Agreement" means the amendment and restatement agreement of this Agreement dated 2024 and made between the Bank, AECL and ACAL as original sellers and AECL as sellers' agent.

"Anti-Bribery Laws"has the meaning given to it at Clause 7.1.5.

"Applicable Rate" means (as applicable):

(a) SOFR O/N; and

(b) for any other Approved Currency, the equivalent benchmark rate if available or otherwise as determined by the Bank's funding desk,

provided that, in each case, if such rate is less than zero, the Applicable Rate shall be deemed to be zero.

"Approved Currency" has the meaning given to it in Schedule 2 (*Commercial Terms*).

“Associate”means, in respect of a Seller, any person over which that Seller has significant control (including franchise or similar), who has similar control over that Seller or who is part of the same corporate group as that Seller.

“Bank Collection Account” means the relevant account held with the Bank in the name of the Bank into which a Seller remits:

(a) amounts relating to Purchased Receivables, which that Seller has received from Eligible Buyers or in the evet of receipt of monies from the insurer in respect of Purchased Receivables; and

(b) certain other amounts that Seller is obliged to pay the Bank under this Agreement,

and being the relevant account set out at Part 4 (*Bank Collection Account*) of Schedule 5 (*Seller Information*) or subsequently as may be notified by the Bank in writing.

“Bank Collections Trust Interest” means, in relation to the Bank at any time, an interest in the Collections Trust Property equal to the aggregate of the amounts standing to the credit of the Seller Receipts Accounts which represent Collections in respect of Purchased Receivables.

“Business Day”means:

(a) in relation to: (i) any notices or other documents to be delivered to the Bank or a Seller whose registered address is located in Hong Kong; or (ii) any payments to be made by any Party in accordance with the terms of this Agreement, a day other than a Saturday or Sunday on which banks in Hong Kong are open for general interbank business; and

(b) in relation to any notices or other documents to be delivered to any other Party, a day other than a Saturday or Sunday on which banks in the jurisdiction in which such Party has its registered address are open for general interbank business.

“Buyer” means a debtor under a Contract.

“Buyer Payment Problem Event”means:

(a) an Insolvency Event in respect of the Eligible Buyer happening;

(b) it becoming illegal for the Eligible Buyer to pay all or part of the Purchased Receivable out of the Eligible Buyer’s Jurisdiction in the currency in which it is due because of the imposition in the Eligible Buyer’s Jurisdiction, after its Purchase Date, of a prohibition or restrictions on offshore foreign currency payments;

(c) the existence of material adverse information regarding the Eligible Buyer’s ability to make payments as and when they fall due;

(d) any Receivable of the Eligible Buyer is overdue for payment past the maximum extension period as specified in the Eligible Buyers Listing. If there are more than one outstanding invoices, the date used will be the expiry of the maximum extension period as specified in the Eligible Buyers Listing applicable to the invoice which was due first for payment; or

(e) the Eligible Buyer has dishonoured or failed to pay any bill of exchange, promissory note, cheque or direct debit upon its first presentation for payment.

“Collections” means, for a Purchased Receivable, all cash collections and other cash proceeds of such Purchased Receivable, including, without limitation, all amounts received in respect of such Purchased Receivable from the Insurer.

“CollectionsTrust Property” means all amounts from time to time standing to the credit of the Seller Receipts Accounts and any rights of the Sellers in respect of those credit balances and the indebtedness represented by them.

“Commercial Dispute Event” means, for a Receivable, any one or more of the following:

(a) all or any part of the Receivable or any relevant part of the Contract being or becoming invalid or unenforceable against the Eligible Buyer because of an act or omission of the relevant Seller; and/or

(b) a situation where the Eligible Buyer does not pay the relevant Seller the Receivable in full by the end of the Waiting Period because the Eligible Buyer asserts it is entitled not to pay because of a breach of the

Contract or some other obligation by the relevant Seller; and the relevant Seller:

(i) fully or partially accepts the Eligible Buyer's assertion; or

(ii) disputes the Eligible Buyer's assertion but is unable to demonstrate to the Bank's satisfaction (acting reasonably) that the Eligible Buyer's allegation of breach is groundless.

"Compliance Action" has the meaning given to it in Clause 22.6 (*Sanctions, AML etc*).

"Contract" means, for a Receivable, the supply contract under which the relevant Seller originates that Receivable.

"Credit Insurance Co-insured Period" means the period from and including the Agreement Date to and including 30 June 2024, or such other period as may be agreed between the Bank and the Sellers from time to time.

"Credit Insurance Undertakings and Acknowledgements" means those undertakings and/or acknowledgements set out in Schedule 6 (*Credit Insurance Undertakings and Acknowledgments*).

"Credit Limit"means a monetary limit set by the Bank limiting the maximum aggregate value of Outstanding Purchased Receivables referable to an Eligible Buyer at any time, and as set out in the Eligible Buyers Listing, as amended from time to time.

"Deductible"means any deductible amount referred to or defined in the Policy or any similar excess or deduction established by the Insurer (being, in relation to any Purchased Receivable, an amount not exceeding 10% of the Net Value of such Purchased Receivable).

"Dilutions" means the sum of the amounts in the following data entries provided by the Sellers in each Offer:

(a) credit notes;

(b) discounts;

(c) debit adjustments; and

(d) credit adjustments.

"Discount Rate" has the meaning given to it in Schedule 2 (*Commercial Terms*).

"Due Date" means, for a Receivable, the date on which it is due from the Eligible Buyer, as stated in an Offer.

"Effective Date" has the meaning given to it in the Amendment and Restatement Agreement.

"Eligible Buyer" means a Buyer listed in the Eligible Buyers Listing as amended from time to time.

"Eligible Buyer's Jurisdiction"means the jurisdiction of incorporation of an Eligible Buyer as identified in the Eligible Buyers Listing as amended from time to time.

"Eligible Buyers Listing" means the Eligible Buyers Listing set out at Schedule 3 (*Eligible Buyers Listing*) and as subsequently amended in accordance with Clause 6.3 (*Mechanism for amending the Eligible Buyers Listing*) from time to time.

"Enforcement Costs" means any out-of-pocket costs spent protecting or enforcing any Purchased Receivable.

"Facility" has the meaning given to it in Clause 2.1 (*The Facility*);

"Facility Availability"means the maximum aggregate amount available to be paid by the Bank to the Sellers not exceeding the Facility Limit, being at any time:

(a) the aggregate value of Outstanding Purchased Receivables;

less

(b) Payments made in relation to any Outstanding Purchased Receivables;

less

(c) the Dilutions;

less

(d) any accrued but unpaid fees under this Agreement.

"Facility Limit" has the meaning given to it in Schedule 2 (*Commercial Terms*).

"Federal Bank Rate"means, for any day, (a) the short-term interest rate target set by the U.S. Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or (b) if that target is not a single figure, the arithmetic mean of: (i) the upper bound of the short-term interest rate target range set by the U.S. Federal Open Market Committee and published by the Federal Reserve Bank of New York; and (ii) the lower bound of that target range provided that a reference to a Federal Bank Rate shall include any successor rate to, or replacement rate for, that rate.

"Federal Bank Rate Adjustment"means, in relation to any payment date, the mean of the spreads (expressed as a percentage rate per annum) over the five most immediately preceding New York business days for which the SOFR Screen Rate has been published of: (a) the SOFR Screen Rate for that interest period on that day; and (b) the Federal Bank Rate prevailing at close of business on that day, as calculated by the Bank excluding the highest spread (and, if there is more than one highest spread, only one of those highest spreads) and lowest spread (or, if there is more than one lowest spread, only one of those lowest spreads).

"Foreign Public Buyer" means an Eligible Buyer outside Hong Kong whose creditworthiness is reasonably considered to be equal to that of the state in the Eligible Buyer's country, due to the Eligible Buyer's statutory position or a commitment from the state of the Eligible Buyer's country with regard to the Eligible Buyer's financial support.

"Funder Settlement Report" means, with respect to each Purchase Date, a report containing: (a) a list identifying all Purchased Receivables outstanding as of the close of business on the date of the Offer made immediately prior to such Purchase Date (the "Relevant Offer Date"), together with the outstanding amount of each such Purchased Receivable as of such time, (b) the amount of all Collections received during the period from (and excluding) the date of the Offer immediately preceding the Relevant Offer Date to (and including) the Relevant Offer Date (together with details as to the Purchased Receivables in respect of which such Collections were received (in each case based on information provided in the applicable Payments Received Report)), (c) a list identifying all Receivables outstanding as of the close of business on the Relevant Offer Date and that are to be purchased by the Bank on such Purchase Date, together with the Purchase Price of each such Receivable (in each case based on information provided in the applicable Offer), (d) the calculation of the Payment Amount payable by the Sellers or the Bank on such Purchase Date.

"HSBC Group"means HSBC Holdings plc, its subsidiaries and/or associated companies and/or any of its or their agents.

"Insolvency Event" means, when made in reference to (A) any Seller (unless amended in relation to an Additional Seller by a relevant Seller Accession Agreement) or (B) any Eligible Buyer, any corporate action, legal proceedings or other procedure or step being taken in relation to:

(a) that Seller or Eligible Buyer, as applicable, suspending payments on any of its debts or is otherwise unable to pay its debts as they fall due;

(b) a moratorium of any indebtedness of that Seller or Eligible Buyer, as applicable;

(c) the dissolution, administration, reorganisation or winding-up of that Seller or Eligible Buyer, as applicable (including by voluntary arrangement or scheme of arrangement);

(d) a composition, compromise, assignment or arrangement with any creditor of that Seller or Eligible Buyer, as applicable;

(e) the appointment of a liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer over that Seller or Eligible Buyer, as applicable, or any of its assets; or

(f) the enforcement of any Security over any of that Seller's assets or that Eligible Buyer's assets, as applicable (other than Security given for the limited recourse financing of the assets over which the Security is being enforced), or any analogous procedure or step being taken in any jurisdiction.

“Insurer”means Euler Hermes, Hong Kong Branch (a limited liability company incorporated in Belgium with company number [*****]) or any other insurer approved by the Bank in writing from time to time.

“Insurer Limit”means, in respect of any relevant Eligible Buyer, the subsisting credit limit (if any) allowed or issued by the Insurer under the Policy and as may be set out in the Eligible Buyers Listing by the Bank from time to time, in each case as increased or reduced or to the extent not cancelled or removed pursuant to the terms of the Policy.

“Late Payment Costs” means, for a Purchased Receivable, any interest or other charges for which the Eligible Buyer is liable in connection with any late payment of the Purchased Receivable or any late reimbursement of any Enforcement Costs by the Eligible Buyer, including interest or other charges on any capitalised late payment interest or charges.

“Losses”means all losses, costs, damages, clams, actions, suits, demands and liabilities.

“Net Value” means, in relation to a Purchased Receivable, the invoice amount on the Purchase Date including any applicable Tax less the aggregate value of Dilutions applicable to such Purchased Receivable.

“Non-Vesting Purchased Receivable”means any Purchased Receivable which, for any reason, fails to be effectively assigned to the Bank.

“Non-Covered Amount” means any deductible amount referred to or defined in the Policy, any similar excess or deduction established by the Insurer or any amount exceeding any limit or insured percentage established or agreed by the Insurer (such Non-Covered Amount being, in relation to any Purchased Receivable, an aggregate amount not exceeding 10% of the Net Value of such Purchased Receivable).

“Notice of Assignment” means a notice of assignment substantially in the form set out at Schedule 4 (*Form of Notice of Assignment of Receivables*) or as otherwise agreed by the Bank and the Sellers’ Agent in writing.

“Offer”has the meaning given in Clause 3.1 (*Original Sellers*).

“Outstanding”means any Purchased Receivable which is wholly or partly unpaid and has not been reassigned by the Bank to the relevant Seller.

“Parties”means the Bank, the Sellers and the Sellers' Agent and, as the context allows, “Party” means any one of them.

“Payment Amount” means, as of any Purchase Date, the difference between (a) the aggregate Purchase Price to be paid on such Purchase Date by the Bank for Receivables to be purchased on such Purchase Date in accordance with Clause 4 (after giving effect to any applications by the relevant Seller on behalf of the Bank pursuant to Clause 14 (*Net Settlement*)) and (b) the sum of (i) the Purchase Fees to be paid by the Sellers on such Purchase Date to the Bank in accordance with Clause 11 (*Purchase Fee*) and (ii) any other amounts due and owing to the Bank by a Seller under this Agreement as of such Purchase Date (other than amounts payable pursuant to Clause 13.1.5).

“Payment Terms” has the meaning given to it in the Eligible Buyers Listing as amended from time to time.

“Payments Received Report” has the meaning given to it in Clause 3.1.4.

“Policy”means the Insurer’s credit insurance policy relating to Purchased Receivables dated 19 December 2023 and with the policy number [*****] (with respect to Arrow Electronics China Limited) and [*****] (with respect to Arrow/Components Agent Limited) or such replacement trade credit insurance policy as the Bank may agree in writing to designate as the Policy from time to time.

“Political Risk Event”means, for a Receivable, any of the following:

(a) the non-payment of all or part of an undisputed Receivable by a Foreign Public Buyer on the expiry of the maximum extension period as specified in the Eligible Buyers Listing;

(b) the unjustified and formal refusal by a Foreign Public Buyer to accept the goods; or

(c) the direct prevention of the payment of the Receivable by the Eligible Buyer or performance of the sale and/or services contract by the relevant Seller as a result of any of the following political events:

(i) the occurrence in the country in which the Eligible Buyer is located (provided that the Eligible Buyer is not located in Hong Kong) of war (whether declared or not), invasion, act of foreign enemy hostilities, civil war, insurrection, rebellion, riot, revolution and/or military or usurped power;

(ii) transfer restriction where there is a decree by the government of the Eligible Buyer's country imposing restrictions on currency transfer;

(iii) the passing of a decree by the government in the country in which the Eligible Buyer is located, exonerating it from paying the additional sum due if there is a difference between the amount deposited in local currency on the date of the deposit or on the date of completion of the transfer formalities, and the amount due to be paid;

(iv) inconvertibility of the currency of the Eligible Buyer's country where the Receivable is payable in a currency other than the currency of the Eligible Buyer's country; or

(v) the passing of a decree by the government in the country in which the Eligible Buyer is located preventing the Eligible Buyer paying for receivables assigned to a third country.

"Purchase" means the Bank purchasing a Receivable from a Seller in accordance with this Agreement.

"Purchase Date" means, for a Purchased Receivable, the date determined pursuant to Clause 4 (*Purchase Price*) and Clause 12.3.1.

"Purchase Fee" means, for a Purchased Receivable, the amount calculated by applying the applicable Discount Rate to the Purchase Price for the number of days between the Purchase Date for that Purchased Receivable and the earlier of (i) the date that the Eligible Buyer pays the amount for that Receivable in full and (ii) the end of the Waiting Period.

"Purchase Price"means, for a Receivable, the Net Value of such Receivable on the Purchase Date for that Receivable.

"Purchased Receivable" means a Receivable subject to a Purchase.

"Receivable"means all or any of a Seller's rights to receive payment (whether under the Contract, at law or otherwise) for a provision of goods and/or services by that Seller to an Eligible Buyer in the normal course of that Seller's trading activities that are:

(a) originated by that Seller issuing an invoice to that Eligible Buyer; and

(b) identified by reference to the number of that invoice,

including rights that relate to any one or more of:

(i) the obligation of the Eligible Buyer to pay the invoice amount;

(ii) any obligation of the Eligible Buyer to pay any related Late Payment Costs;

(iii) any obligation of the Eligible Buyer to pay any related Enforcement Costs; or

(iv) the related goods and/or services provided,

but excluding Receivables not in an Approved Currency.

"Repayment Event" means, for a Purchased Receivable, any of:

(a) a Commercial Dispute Event happening in relation to that Purchased Receivable;

(b) the relevant Seller failing to comply with its obligations relating to that Purchased Receivable under this Agreement in a material respect and not remedying this non-compliance within five Business Days of a written request from the Bank to do so;

(c) the assignment by the relevant Seller to the Bank of that Purchased Receivable for any reason (other than an Insolvency Event in respect of that Seller) being or becoming an invalid or unenforceable assignment as between that Seller and the Bank; or

(d) any representation made by the relevant Seller in connection with that Purchased Receivable was incorrect in any material respect when made.

"Sanctions" shall have the meaning given to it in Clause 7.1.6 of this Agreement.

"Security" means a mortgage, charge, pledge, hypothecation, lien, assignment by way of security, retention of title provision, right of set-off, trust or flawed asset arrangement (for, or which has the effect of, granting security) or other security interest securing any obligation of any person, whether or not conditional, or any other agreement or arrangement in any jurisdiction having a similar effect.

"Security Document"meanseach document entered into by a Seller for the purpose of granting any Security to the Bank in accordance with the terms of this Agreement.

"Seller" means:

(a) an Original Seller; or

(b) an Additional Seller,

which in each case has not ceased to be a Party in that capacity.

"Seller Accession Agreement" means an agreement, in form and substance satisfactory to the Bank, under which an Additional Seller accedes to this Agreement, executed by the relevant Additional Seller, the Bank and the Sellers' Agent (for itself and on behalf of all other Sellers).

"Seller Account"means:

(a) for an Original Seller, the account set out against its name at Part 1 (*Seller Accounts*) of Schedule 5; and

(b) for an Additional Seller, the account listed as such in the relevant Seller Accession Agreement.

"Seller Availability"means, in respect of a Seller, the maximum aggregate amount available to be paid by the Bank to that Seller not exceeding the relevant Seller Limit, being at any time:

(a) the aggregate value of Outstanding Purchased Receivables for that Seller;

less

(b) Payments made in relation to any Outstanding Purchased Receivables for that Seller;

less

(c) the Dilutions for that Seller;

less

(d) any accrued but unpaid fees under this Agreement for that Seller.

"Seller Collections Trust Interest" means, in relation to a Seller at any time, an interest in the Collections Trust Property equal to the aggregate of the amounts standing to the credit of the Seller Receipts Account of that Seller which do not represent Collections in respect of Purchased Receivables.

"Seller Limit"means:

(a) for each Original Seller, the limit set out at Part 2 (*Seller Limits*) of Schedule 5 (*Seller Information*); and

(b) for each Additional Seller, the limit set out in the relevant Seller Accession Agreement.

“Seller Receipts Account” means the Sellers' Agent's or each Seller's bank account(s) into which Eligible Buyers must pay the amount of all Receivables, and being (unless the Bank agrees otherwise in writing):

(a) for an Original Seller, the account set out against its name at Part 3 (*Seller Receipts Accounts*) of

Schedule 5 (*Seller Information*); and

(b) for an Additional Seller, the account listed as such in the relevant Seller Accession Agreement.

“Settlement Date” means the last Business Day of each calendar month.

“SOFR O/N” means (a) in relation to any day during the relevant period but excluding the last day of that interest period, the SOFR Reference Rate for that day, and if any day during an interest period for is not a US Banking Day, the rate of interest for that day will be the rate applicable to the immediately preceding US Banking Day; or (b) if the Bank determines that its cost of funds relating to that interest period would be in excess of the percentage rate per annum which is the average of the applicable rates referred to in (a) above and ***% per annum, then the Bank shall be entitled to substitute the percentage rate per annum certified by the Bank as representing the average cost to the Bank of funding in that period from whatever source(s) it may reasonably select.**

“SOFR Reference Rate” means in relation to any US Banking Day during an interest period, the percentage rate per annum which is the US Daily Rate for the US Banking Day prior to that US Banking Day.

“SOFR Screen Rate” means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

“Standard Contract” means the (or one of the) template form(s) of contract the relevant Seller customarily uses with Eligible Buyers, an up-to-date copy of which that Seller has provided to the Bank.

“Tax”means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“Term”has the meaning given to it in Schedule 2 (*Commercial Terms*).

“Termination Event”means any event listed in Clause 9 (*Termination Events*).

“Transaction Document”means this Agreement, each Seller Accession Agreement, each guarantee and indemnity agreement, each Security Document, the Amendment and Restatement Agreement, each other document entered into in relation to any of the foregoing and each other document designated as such by the Bank and the Sellers’ Agent.

“Trigger Event” means, in respect of a Purchased Receivable or Eligible Buyer (as applicable), any of the following:

(a) that Receivable remains unpaid on the date that falls 15 days after the Due Date of such Receivable, provided that, for the purposes of Clauses 13.1.5, 13.3, 14.1 and 14.2, it would only constitute a Trigger Event if the aggregate value of all Receivables falling under this paragraph (a) at the relevant time exceed 10% of all Outstanding Purchased Receivables;

(b) an Insolvency Event in respect of the Eligible Buyer happening or becoming inevitable or, in the Bank’s opinion (acting reasonably), highly likely, provided that, for the purposes of Clauses 13.1.5, 13.3, 14.1 and 14.2, it would only constitute a Trigger Event if the aggregate value of all Receivables relating to the relevant Eligible Buyer(s) falling under this paragraph (b) at the relevant time exceed 10% of all Outstanding Purchased Receivables;

(c) the occurrence of a Termination Event (which, for the avoidance of doubt, shall be treated as a “Trigger Event” in respect of all Eligible Buyers and all Purchased Receivables);

(d) the relevant Seller is in breach of its obligations relating to that Receivable under this Agreement; or

(e) there is an adverse change in the ownership, financial conditions and any other events that the Bank considers would have a material impact on the relevant Seller or the Eligible Buyer of that Receivable.

“US Banking Day” means a day other than a Saturday or Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for the purposes of trading in US government securities.

“US Daily Rate” means in relation to any US Banking Day: (a) the SOFR Screen Rate for that US Banking Day; or (b) if the SOFR Screen Rate is not available for that US Banking Day, the percentage rate per annum which is the aggregate of: (i) the Federal Bank Rate prevailing on that US Banking Day as determined by the Bank; and (ii) the applicable Federal Bank Rate Adjustment (rounded if necessary to five decimal places with 0.000005 being rounded upwards).

“US Dollars”and“$”mean the lawful currency for the time being of the United States of America.

“VAT”means any goods and services tax, value added tax, sales tax or other similar tax imposed in any jurisdiction.

“Waiting Period”means 30 days from the Due Date or 120 days from the relevant invoice date, whichever is the sooner.

Schedule 2- Commercial Terms

Approved Currency	US Dollar
Discount Rate	Applicable Rate plus [*****] basis points per annum
Facility Limit	US Dollar 300,000,000 or such higher amount as may be agreed by the Bank and the Sellers’ Agent from time to time
Term	One year commencing from the Agreement Date, subject to any extension as the Bank may agree at its sole discretion.

Schedule 3- Eligible Buyers Listing

[*****]

29

Schedule 4- Form of Notice of Assignment of Receivables

[*On the letterhead of the relevant Seller - please ensure that the address of the relevant Seller is included*]

To: [*insert name and address of Eligible Buyer*]

Dated: [*insert date*]

Dear Sirs

CONTRACT OF SALE BETWEEN [*INSERT NAME OF ELIGIBLE BUYER*] AND [*INSERT NAME OF SELLER*] DATED [*INSERT DATE*] AND LIMITED RECOURSE RECEIVABLES DISCOUNTING FRAMEWORK AGREEMENT DATED [●] 2023 (AS AMENDED AND RESTATED PURSUANT TO AN AMENDMENT AND RESTATEMENT AGREEMENT DATED [●] 2024 AND AS MAY BE FURTHER AMENDED AND/OR SUPPLEMENTED) (THE “RPA”) BETWEEN, AMONGST OTHERS [INSERT NAME OF SELLER] AND THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED ("HSBC")

On [*insert date*] [*insert name of Seller*] and [*insert name of Buyer*] entered into an agreement relating to [*insert relevant activities*] (the “Contract”).

This letter constitutes notice to you that, by virtue of the operation and effect of the RPA, [*insert name of Seller*] has assigned all its present and future rights, title and interests in, to and under the Contract relating to the following receivables (“Receivables”): [*insert identifying details*].

Until further notice from HSBC all payments due from you under the Receivables must be paid, from the date of this notice, to HSBC for its own account as follows: [*insert account details*]. Your payment obligations under the Receivables will only be duly discharged when payment has been made to this account.

Please acknowledge receipt of this notice by signing and returning the signed copies to [*insert name of Seller*] at the address above and to HSBC at the address below:

For the attention of: [*insert name*], [*insert address of HSBC entity*].

This notice is governed by Hong Kong law.

Yours faithfully

for and on behalf of
[*Insert name of Seller*]

By signing below, [*insert name of Buyer*] acknowledges receipt of this notice of assignment.

for and on behalf of
[*Insert name of Buyer*]

30

Schedule 5- Seller Information

[*****]

31

Sign-On Bonus
Upon acceptance of this offer

Schedule 6- Credit Insurance Undertakings and commencing employment with Acknowledgments

At all times during the Company no later than ____________, you will receive a one-time sign-on bonus in the amount of ____________ (the "Sign-On Bonus"), less applicable deductions and withholdings, payable on ____________. You will be required to sign an agreement with the full terms and conditions of your Sign-On Bonus, including repayment, should your employment terminate before ____________. Credit Insurance Co-insured Period:

Long-Term Incentive Program

Beginning with the ___________ plan year, you may be eligible to participate in the Long-Term Incentive Program (the "LTIP"), as determined by the Company from time to time. Although the design and structure of the LTIP may change, recent LTIP awards have consisted of annual equity awards made in the form of time-based restricted stock units and performance stock units.

Upon acceptance of this offer and your commencing employment with the Company, at an upcoming Board of Directors' meeting, we will recommend to the Compensation Committee that you be granted a one-time, special grant of ___________ with a grant date value of ____________ (the "Welcome Aboard Award"). If approved by the Compensation Committee and subject to your continued employment with the Company as of the applicable vesting dates, the ___________ will vest ___________ on each of the ___________ anniversaries of the grant date.

The LTIP, your eligibility for participation in the LTIP, and all LTIP awards, including annual awards and the Welcome Aboard Award, shall be subject to the discretion and approval of the Compensation Committee, the terms and conditions of the Company's Omnibus Incentive Plan, as amended from time to time, and any award agreement issued to you in connection with the grant of an LTIP award.

Equity Governance Programs and Company Policy

As a member of the Company's Executive Committee, you will be required to abide by all applicable Company policies, including the Arrow Worldwide Code of Business Conduct and Ethics, the Company's Insider Trading Policy, the Company's Trading Window, the Company's Incentive Compensation Clawback Policy, the Company's Dodd-Frank Compensation Clawback Policy, the Company's Anti-Hedging and Anti-Pledging Policy, the Company's Executive Stock Ownership Guidelines, and the Securities Exchange Act of 1934.

Contingencies

This employment offer is contingent upon you having no contractual commitments inconsistent with your obligations to the Company and successfully completing all aspects of the Company's pre-employment screening process.

This letter shall not be construed as a contract of employment for a fixed period. Your employment is at-will, meaning you or the Company are free to end your employment at any time. Your post-employment obligations will be governed by the Executive Restrictive Covenants Agreements of the Executive Change In Control Retention Agreement and the Executive Severance Policy.

a) Each Original Seller undertakes that the Bank is co-insured and has been noted as sole loss payee in relation to the Purchased Receivables under the Policy, and further undertakes not to assign or purport to assign the Policy to any third party, or note or purport to note any third party as loss payee thereunder or grant any Security to any third party in respect of the Policy;

b) Each Original Seller shall comply with all requirements of the Policy such that it is not and could not be vitiated, including the payment of all premiums and the completion and delivery to the Insurer of all declarations (including turnover declarations), returns, claims and other documents and information (including limit notifications and overdue reporting) required under the Policy;

c) As between the Bank, the Sellers' Agent and the Original Sellers, the Bank shall not be responsible for compliance with the Policy. In the event that an Original Seller at any time fails to comply with the terms of the Policy, the Bank may, but shall not be obliged to, remedy (including by way of payment of any premium due or making any claim capable of being made) such failure at that Original Seller's expense which shall be payable by that Original Seller upon demand. The Bank shall not do or require an Original Seller to do anything that may vitiate the Policy;

d) Each Original Seller shall, in respect of Purchased Receivables and in relation to each relevant Eligible Buyer, notify the Bank in writing (promptly upon the Bank's written request or, in any event, no less frequently than monthly such that each notification is within one calendar month of the previous notification) of the Insurer Limit set by the Insurer in respect of that Eligible Buyer.

e) Where an Insurer Limit applies in relation to an Eligible Buyer, the Bank may set an identical, lower or higher Credit Limit, in its absolute discretion in accordance with Clause 6 (*Eligible Buyers and Credit Limits*). In the event of variance between the Credit Limit and the Insurer Limit, the Credit Limit shall take precedence for the purposes of this Agreement.

f) Each Original Seller undertakes to make all claims under the Policy as soon as practicable after an event giving rise to a claim covered by the Policy shall have arisen and in accordance with the terms of the Policy. Promptly following a request in writing by the Bank, an Original Seller shall provide the Bank with copies of relevant and supportive documentation and correspondence between that Original Seller and the Insurer in relation to the making of a claim and its progress and final determination. Each Original Seller further undertakes that in relation to the Purchased Receivables, it shall not do or permit to do anything that may contradict any assumption under the Policy that the Bank is the owner of any Purchased Receivables.

g) Each Original Seller shall adhere to and not alter the terms of the Policy nor its operation without the prior written consent of the Bank (such consent not to be unreasonably withheld or delayed).

h) Each Original Seller shall, where reasonably possible to do so, cooperate in ensuring the Bank has any required access to electronic information made available by the Insurer in relation to the Policy, including obtaining any relevant permission required by the Insurer with regard to such access.

i) To ensure that the Bank does not make any payments in respect of any Receivable which would cause the Bank to unknowingly Purchased Receivables in excess of an Insurer Limit, the Original Sellers: (i) shall inform the Bank promptly upon the increase, withdrawal or reduction of any Insurer Limit, (ii) shall provide the Bank with copies of relevant and supportive documentation and correspondence between the Original Sellers and the Insurer in relation to the same and (iii) confirms and undertakes in relation to each Offer that the relevant Receivable(s) is/are within the relevant existing Insurer Limit.

j) The terms of this Schedule apply in relation to the Policy, where applicable and referenced. Any relevant undertakings and acknowledgements relating to credit insurance for an Additional Seller will be agreed between the Bank, the Additional Seller and the Sellers' Agent in the Seller Accession Agreement or in such other form as is acceptable to the Bank, the Original Sellers and the Sellers' Agent.

M. EXECUTIVE NAME

LETTER DATE

Page 3

This letter confirms all of the terms of employment and supersedes any prior understandings or agreements, whether oral or written, between you and the Company, and may not be amended or modified except by an express written agreement signed by the Senior Vice President, Chief Governance, Sustainability, and Human Resources Officer.

Best Regards,

Gretchen Zech
Senior Vice President, Chief Governance, Sustainability, and Human Resources Officer 32

Schedule 7-Indemnity for Electronic Instructions

Each of the Sellers and agreed the Sellers' Agent (in this Schedule 7, each, a "**Customer**") has asked the Bank to this day: accept instructions from such Customer and to communicate with such Customer by way of email, facsimile, telecopier, telex, cable, telephone, internet, use of websites, platforms, electronic channels or other electronic means ("**Electronic Means**").

Each Customer acknowledges that instructions, documents, claims and communications sent by Electronic Means may be intercepted, monitored, amended, corrupted, contain viruses, may not be confidential or secure, or be otherwise interfered with by third parties.

In consideration of the Bank agreeing to accept instructions, documents, claims and communications (together, "**Instructions**") by Electronic Means, each Customer acknowledges and agrees that:

1. the Bank is not responsible or liable to such Customer or any third party for, and such Customer waives any and all claims in respect of, all Losses which may be incurred as a result of the Bank acting or failing to act upon any Instruction sent or purportedly sent by such Customer to the Bank by Electronic Means or received by such Customer from the Bank by Electronic Means. "**Losses**" include all direct, indirect and consequential liabilities and losses, payments, damages, demands, claims, expenses and costs (including legal fees and fees, claims, demands and liabilities from a third party on a full indemnity basis), proceedings, actions and other consequences (collectively, the "**Losses**") which may be suffered, sustained or incurred;
2. if such Customer gives an Instruction by Electronic Means, or instructs the Bank to permit a beneficiary or any other person to do the same, such Customer shall on demand indemnify, and hold the Bank harmless from and against, any and all Losses that the Bank may incur (including in respect of any payment made where the relevant instruction or claim was unauthorised);
3. the Bank has no obligation to:
   a. verify the identity or authority of any person giving an Instruction by Electronic Means;
   b. verify the authenticity of any signature(s) (whether electronic or otherwise) on any Instruction given by Electronic Means; or
   c. seek such Customer's prior approval before acting on any Instruction given by Electronic Means,

   however, the Bank may, in its absolute discretion, take steps to ascertain the validity, authenticity and origin of any Instruction (including requiring telephone verification of any Instruction) and may, where it is unable to ascertain the validity, authority or origin of any instruction, delay or refuse to act upon any Instruction or suspend or terminate any service or transaction at any time; and
4. such Customer agrees that this indemnity:
   a. is in addition to and not in substitution of any other indemnity entered into by such Customer in favour of the Bank; and
   b. does not restrict the right of the Bank to require such Customer to present certain documents or notices to the Bank in the original form at a specified office.

Schedule 8- Form of Offer

To : The Hongkong and Shanghai Banking Corporation Limited (the "Bank")

Date :

Dear Sirs,

We refer to the limited recourse receivables discounting framework agreement dated [●] (as amended and restated pursuant to an amendment and restatement agreement dated [●] and as may be further amended and/or supplemented) (the "Agreement") between, amongst others, the Bank, ourselves and Arrow Electronics China Limited as sellers' agent. Terms defined in the Agreement have their respective defined meanings when used herein.

We hereby request, pursuant to Clause 3.1.1 of the Agreement, that on [●] [*Note: This date should be two Business Days following the date of this Offer.*] (the "Purchase Date"), you purchase the Receivables specified in the Schedule attached hereto at the purchase price to be determined in accordance with the terms of the Agreement (the "Purchase Price").

The Purchase Price shall be paid to our account (Account No. ______________) maintained with The Hongkong and Shanghai Banking Corporation Limited on the Purchase Date. We hereby certify as follows: (i) the above specified date will be the Purchase Date for the Receivables referred to above, and (ii) the representations and warranties made by ourselves in the Agreement are true and correct on and as of the date hereof as if made on and as of the date hereof.

Yours faithfully,
For and on behalf of

[*Arrow Electronics China Limited*]/
[*Arrow/Components Agent Limited*]

____

Name:

Title:

[*Execution pages not restated*]

Exhibit 19

POLICY:

INSIDER TRADING POLICY
and Requirements with Respect to Certain Securities Transactions

This Insider Trading Policy (the "Policy") provides guidelines that must be followed when transacting in Arrow Electronics, Inc. (the "Company"or"Arrow") securities.

Section 1:Purpose

This Policy is designed to prevent insider trading or the appearance of insider trading and the misuse of insider information, and to protect the Company's reputation for integrity and ethical conduct.

Failure to comply with this Policy may subject you to disciplinary action, up to and including termination, as well as potential severe civil and criminal sanctions by regulators.

Section 2:Covered Individuals and Entities

This Policy applies to:

- all directors of the Company;
- all employees of the Company;
- your family members or anyone who resides with you, or who does not live with you but whose transactions in Arrow securities are directed by you or are subject to your influence or control (such as individuals who consult with you before they trade in Arrow securities); and
- all corporations, partnerships, trusts, or other entities in which any of the above persons has a substantial beneficial interest, serves as a trustee (or similar capacity), or is otherwise owned or controlled by any of the above persons.

All those to whom this Policy applies are referred to as "Insiders." Insiders are responsible for ensuring their compliance with this Policy.

Section 3: Definitions

The following definitions apply to this Policy.

A. "Transaction" or "Transact"

For purposes of this Policy, a "Transaction" includes purchases, sales, gifts, or other transactions in publicly traded securities, including common stock, options to purchase common stock, or any other type of securities, including (but not limited to) preferred stock, convertible debentures, and warrants, as well as exchange-traded put or call options or swaps relating to these securities, or any such actions on any other organized market.

B. "Material" Information

Information is "Material" if (i) there is a reasonable likelihood that the information would be considered important to an investor in deciding whether to purchase or sell a company's securities; or (ii) if the information would reasonably be expected to affect the price of the securities. Material information can include positive or negative information and may include information concerning developing situations or the Company's plans with respect to any of the below subjects. The determination of whether information is Material is subjective and requires

---

judgment.Example of Material information could include, but is not limited to, information about:

- earnings information and quarterly results;
- guidance on earnings estimates;
- pending or prospective mergers, acquisitions, tender offers, joint ventures, or changes in assets;
- changes in control of Arrow or changes in senior management;
- new products or other service offerings, contracts with suppliers, or developments regarding customers or suppliers (e.g., the acquisition or loss of a contract);
- changes in auditors, potential restatements of Arrow's financial statements, or auditor notification that Arrow may no longer rely on an audit report;
- significant events concerning Arrow's physical assets;
- events regarding Arrow's securities (e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of securityholders, public or private offerings or sales of securities, or information related to any additional funding);
- bankruptcies or receiverships;
- regulatory investigations or litigation-related developments involving Arrow;
- regulatory approvals or changes in regulations and any analysis of how they affect Arrow;
- cybersecurity risks and incidents, including vulnerabilities and breaches; and
- designation of a Special Blackout Period, as discussed in Section 4B.

There is no simple "bright line" test to determine when information is Material; assessments of whether certain information is Material are highly circumstance-based and fact-specific. For this reason, any question as to whether information is Material should be directed to the Arrow Global Legal and Compliance Department.

C. "Nonpublic" Information

Information is "Nonpublic" if it has not been disseminated in a manner making it available to investors generally. For example, information may still be Nonpublic even though it is widely known within Arrow, reported by the media, or subject to widespread rumors because the information has not been fully circulated to the public. As a rule, to avoid the appearance of impropriety, information should not be considered fully absorbed by the marketplace until the trading day after Arrow's widespread public release of the information. For example, if Arrow issues a press release relating to a certain Material announcement on Monday, the information will be considered public information on Tuesday.

Any questions as to whether information is Nonpublic should be directed to the Arrow Global Legal and Compliance Department.

Section 4: Insider Trading and Prohibited Activities

A. No Transacting in Arrow Securities While Aware of Material Nonpublic Information

Insiders are prohibited from engaging in any Transaction involving Arrow securities while aware of Material Nonpublic information about Arrow. It makes no difference whether you relied upon or used the Material Nonpublic information in deciding to Transact – if you are aware of Material Nonpublic information about Arrow, the prohibition applies. You should avoid even the appearance of an improper Transaction.

B. No Trading During Special Blackout Periods.

From time to time, the Chief Legal Officer may designate "Special Blackout Periods" because of Material developments known to the Company and not yet disclosed to the public. The Chief Legal Officer will notify the individuals who are subject to such Special Blackout Periods. Such individuals are prohibited from all Transactions in Arrow securities during such Special Blackout Periods. Regardless of whether you are subject to a Special Blackout Period, you may not disclose to anyone that a Special Blackout Period has been so designated or put in place.

C. No "Tipping" of Material Nonpublic Information

Insiders may not "tip" or disclose Material Nonpublic information to anyone outside of Arrow, including family members, even if that person is expected to hold such "tip" in confidence. This practice, known as "tipping", violates securities laws and can result in the same civil and criminal penalties that apply to insider trading, even though you did not Transact and did not gain any benefit from another's Transactions. Any written or verbal statement that would be prohibited under the law or under this Policy is equally prohibited if made on electronic bulletin boards, chat rooms, blogs, websites, or any other form of social media, including the disclosure of Arrow Material Nonpublic information or with respect to other companies that you learn through your work with Arrow.

D. No Transacting in Other Companies' Securities While Aware of Material Nonpublic Information about the Companies

Arrow engages in business transactions with companies whose securities are publicly traded. These transactions may include, among other things, mergers, acquisitions, divestitures, renewal or termination of significant contracts, or other arrangements. Information learned in connection with these transactions or relationships may constitute Material Nonpublic information about the other company. Transacting in the securities of these companies while aware of Material Nonpublic information about such companies and communicating that Material Nonpublic information to any other person are also prohibited.

E. Public Disclosures Should be Made Only by Specifically Authorized Personnel

Unauthorized disclosure of Material Nonpublic information is forbidden. No individuals other than specifically authorized personnel may release Material information to the public or respond to inquiries from the media, analysts, investors, or others outside of Arrow. You should refer any inquiries to the Vice President, Investor Relations or the Vice President, Corporate Communications. In the case of inadvertent disclosure to anyone outside of Arrow, you must advise the Chief Legal Officer as soon as the inadvertent disclosure has been discovered. Please refer to Arrow's Corporate Disclosure Policy for more information.

Section 5: Additional Requirements for Designated Individuals

Trading Window

"Designated Individuals" are Arrow individuals who have a greater risk of possessing Material Nonpublic information and therefore must exercise greater diligence to comply with insider trading regulations. Generally, these individuals are in roles that make it likely they will have access to Material Nonpublic information on a regular basis. If you are considered a Designated Individual, you will be notified by the Chief Legal Officer or his or her designee. If you have reason to believe you should be a Designated Individual, you should confirm your status with Arrow's Global Legal and Compliance Department and follow the rules for Designated Individuals, unless and until you are informed that you are not a Designated Individual.

Designated Individuals are prohibited from Transacting in any Arrow securities except during open trading windows. The trading window opens commencing at the opening of the market on the first (1st) day after the Quarterly Report on Form 10-Q or the Annual Report on Form 10-K, as applicable, has been filed with the Securities and Exchange Commission. The trading window will remain open until the close of the market on the day that is fifteen (15) calendar days prior to the last day of the then-current quarter (or such other period as management may determine from time to time) (the “Trading Window”). Prior to the opening of each quarterly Trading Window, Designated Individuals will receive a memorandum informing them of the Trading Window opening and closing schedule.

If there is a conflict between the schedule in that memorandum and the schedule in this Policy, the schedule with the more restrictive Trading Window controls.

Section 6: Additional Requirements for Directors, Section 16 Officers, and Executive Officers

A. Pre-Clearance

Members of the board of directors, Section 16 officers, and Executive Officers (“Directors and Officers”) may not Transact in Arrow securities without first obtaining pre-clearance approval from the Chief Legal Officer or the Chief Financial Officer, or their designee. This requirement includes all Transactions covered under this Policy, including those conducted by family members and other entities.

A request for pre-clearance should be made at least one (1) full business day before the requested Transaction. The pre-clearance request should be submitted in a format as set forth in Appendix 1 hereto, or as otherwise determined and promulgated by the Chief Legal Officer. Unless revoked, a grant of permission will normally remain valid until the close of the fifth (5th) business day following the day on which such permission was granted. If the Transaction does not occur during such five-day period, pre-clearance of the Transaction must be re-requested. Under no circumstance may a person Transact in Arrow securities while aware of Material Nonpublic information about Arrow, even if pre-cleared. Thus, if you become aware of Material Nonpublic information after receiving pre-clearance, but before the Transaction has been executed, you must not execute the pre-cleared Transaction.

Under the law, the ultimate responsibility for determining whether an individual is aware of Material Nonpublic information about Arrow rests with that individual in all cases. Arrow’s approval of any Transaction under this pre-clearance procedure does not insulate any individual from liability under securities laws and does not relieve any individual of their own legal obligation to refrain from engaging in Transactions while in possession of Material Nonpublic information.

B. No Short Sales

A short sale is a sale of securities not owned by the seller or, if owned, not delivered. Short sales of the Company’s securities by a seller could demonstrate that the securities will decline in value, and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller’s incentive to improve the Company’s performance. For these reasons, short sales of the Company’s securities are prohibited by Directors and Officers, persons designated as a “corporate officer” by the board of directors, and senior executives subject to Arrow’s Executive Stock Ownership Guidelines. See the Arrow’s Anti-Hedging and Anti-Pledging Policy for further information.

C. No Hedging Transactions

A hedging transaction is any Transaction designed to hedge or offset any decrease in the value of securities. Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an individual to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the individual to continue to own the

covered securities, but without the full risks and rewards of ownership. When that occurs, the individual or entity may no longer have the same objectives as the Company’s other stockholders. Directors and Officers, persons designated as a “corporate officer” by the board of directors, and senior executives subject to Arrow’s Executive Stock Ownership Guidelines may not engage in any hedging Transaction or trade in any interest or position relating to the future price of Company securities, such as a put, call, option, swap, or other derivative instrument. For further information, see Arrow’s Anti-Hedging and Anti-Pledging Policy.

D. No Margin Accounts or Pledges

Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of Material Nonpublic information or is otherwise not permitted to trade in Company securities, Directors and Officers, persons designated as a "corporate officer" by the board of directors, and senior executives subject to Arrow's Executive Stock Ownership Guidelines may not hold Company securities in a margin account or otherwise pledge Company securities in any way to secure a loan, including as collateral. For further information, see Arrow's Anti-Hedging and Anti-Pledging Policy.

E. Short-term Trading

Section 16(b) of the Exchange Act prohibits transactions involving the purchase and sale or sale and purchase of the Company's securities within any six-month period and requires officers and directors to return any profits made from such purchase and sale or sale and purchase of the Company's securities during any such six-month period. Therefore, Directors and Officers must comply with Section 16(b) of the Exchange Act. For further information, see Arrow's Anti-Hedging and Anti-Pledging Policy.

Section 7:Exceptions to Insider Trading Policy

The prohibitions in this Policy do not apply to the following transactions, except as specifically noted:

A. Rule 10b5-1 Trading Plans.

Transactions under a written plan under Rule 10b5-1(c) of the Exchange Act (a "10b5-1 Plan"). Rule 10b5-1 offers Insiders a way to transact in Company securities over a predefined period, even if the Insider becomes aware of material, nonpublic information during the transaction period, as long as the transaction is done according to a pre-existing plan that was established when the Insider was not aware of any material, nonpublic information. In sum, 10b5-1 plans allow Insiders to institute a mechanical buying and selling, while in an open Trading Window that is then set on autopilot and executes transactions in Company securities according to the parameters of the 10b5-1 plan. For additional information on setting up a 10b5-1 Plan at Arrow, please review Appendix 2.

B. Stock Option Exercises.

The exercise of a stock option (but not the sale of the underlying stock) acquired pursuant to Arrow's equity plans, and/or the withholding of shares to satisfy the taxes due upon such exercise. This Policy does apply, however, to the sale of any shares as part of a broker-assisted cashless exercise of an option, or any other market sale of shares associated with stock options.

C. Stock Unit Award Vesting and Withholding.

The vesting of stock units and/or the withholding of shares to satisfy the taxes due upon the vesting and/or settlement of stock units. The Policy does apply, however, to the market sale of any shares associated with stock unit awards.

D. Surrender of Stock to Satisfy Any Tax Withholding Obligations.

Surrender of shares to Arrow in payment of the stock option exercise price or to satisfy any tax withholding obligations.

E. Will.

Transfers of securities (i) by will or by the laws of descent and distribution or (ii) for tax planning purposes in which an Insider's beneficial ownership and pecuniary interest in the transferred securities do not change are also not Transactions subject to this Policy.

F. Mutual Funds.

Transactions in mutual funds that are invested in securities are not Transactions subject to this Policy.

G. Domestic Relations Orders.

Transactions of equity securities pursuant to a domestic relations order are not Transactions subject to this Policy.

Section 8:Post-Termination Transactions

This Policy's provisions prohibiting Transactions in securities while in possession of Material Nonpublic information and tipping continue to apply even after termination of your employment (whether as an employee, consultant, or other service provider) or service with Arrow. If you were a Designated Individual and the Trading Window was closed or you were subject to a Special Blackout Period under this Policy at the time you ceased to be affiliated with Arrow, you are expected to abide by the applicable restrictions at least until you are no longer in possession of Material Nonpublic information. For additional information on your obligations post termination, please contact the Arrow's Legal and Compliance Department.

Section 9: Inquiries

Please direct your questions as to any of the matters discussed in this Policy to Arrow's Global Legal and Compliance Department.

Section 10: Additional resources

In addition to the Frequently Asked Questions, please refer to the following for additional information: (1) Arrow's Worldwide Code of Business Conduct; (2) Arrow's Corporate Disclosure Policy; (3) Arrow's Social Media Policy; and (4) Arrow's Anti-Hedging and Anti-Pledging Policy.

Appendix 1

Pre-clearance Request Template

"I am requesting pre-clearance to [*describe transaction: sell/purchase/exercise/gift/adopt a 10b5-1 plan/etc.*] up to [X] shares. I hereby certify that:

(i) I have read and understand Arrow's Insider Trading Policy,

(ii) I am not in possession of any Material Nonpublic information, as such term is defined in Arrow's Insider Trading Policy, and

(iii) I will not transact in any Arrow securities at any time that I am in possession of any Material Nonpublic information.

(iv) If I am seeking to adopt or modify a 10b5-1 plan, I am doing so in good faith and not with the plan or intention to evade the law or otherwise gain improper advantage from my position at Arrow.

I understand that I am not authorized to engage in the transaction described above until I receive pre-clearance."

Date:__________________________________

Print Name:______________________________

Signature:_______________________________

Appendix 2

Rule 10b5-1 Trading Plan Requirements

Introduction

Insiders are not required to adopt a 10b5-1 trading plan (a "Plan") to transact in Arrow securities. Keep in mind, however, that adopting a Plan and transacting under such a Plan may provide a legal defense to an allegation of insider trading.

These Requirements are in addition to, and not in lieu of, the requirements and conditions of Rule 10b5-1, Arrow's Insider Trading Policy, or any third-party broker or administrator under a Plan.

Requirements

1. A Plan may not be adopted or modified when the Trading Window is closed and if the Insider is in possession of Material Nonpublic information.
2. A Plan must contain representations of the Insider that the Insider (i) is not aware of material nonpublic information about Arrow or its securities and (ii) is adopting the plan in good faith and not as a part of a plan or scheme to evade the prohibitions of Rule 10b-5.
3. The Chief Legal Officer must approve any adoption or modification of a Plan. The pre-clearance procedures provided in Section 6(A) of the Policy apply to any adoption or modification of a Plan.
4. No transactions may occur under a Plan until the later of (i) ninety (90) days after adoption or modification of the Plan or (ii) two (2) business days following the filing date of a Form 10-Q or Form 10-K for the fiscal quarter in which the Plan was adopted or modified; *provided*, that in no event shall such minimum period of time exceed one hundred twenty (120) days after such adoption or modification.
5. If you want to terminate a Plan, please notify the Chief Legal Officer immediately. You must wait until the period of time set forth above in paragraph 4 of this Appendix 2 has run before adopting a new Plan.
6. An individual cannot have more than one Plan simultaneously in effect, except a Plan that is solely permitted to sell securities in order to satisfy tax withholding obligations in connection with the vesting of equity awards other than option awards.
7. An individual cannot have more than one single-trade Plan in effect in a twelve (12)-month period (i.e. a Plan cannot be adopted for a single transaction and then terminated, and then a new Plan adopted for another single transaction within twelve (12) months.)

Questions concerning these Requirements should be addressed to the Global Legal and Compliance Department.

Exhibit 21

SUBSIDIARIES OF ARROW ELECTRONICS, INC.
As of December 31, 2023 December 31, 2024

Entity Name	Jurisdiction of Incorporation or Organization
Arrow Argentina S.A.	Argentina
Arrow ECS ANZ Pty Ltd	Australia
Arrow ECS Australia Pty Limited	Australia
Arrow Electronics ANZ Holdings Pty Ltd	Australia
Arrow Electronics Australia Pty Ltd.	Australia
Richardson RFPD Australia Pty. Ltd.	Australia
Arrow ECS GmbH	Austria
eMedia Asia Ltd.	Barbados
Arrow ECS SA NV	Belgium
Arrow Brasil S.A.	Brazil
ATM Electronic Corp.	British Virgin Islands
Marubun Marubun/Arrow Asia, Ltd.	British Virgin Islands
A.E. Petsche Canada, Inc.	Canada
Arrow ECS Canada Limited	Canada
Arrow Electronics Canada Ltd.	Canada
Richardson RFPD Canada Inc.	Canada
Arrow Electronics (C.I.) Limited	Cayman Islands
Arrow International Holdings Limited	Cayman Islands
Arrow United International Holdings LP	Cayman Islands
Components Agent (Cayman) Ltd	Cayman Islands
Arrow (China) Electronics Trading Co., Ltd.	China
Arrow (Shanghai) Trading Co., Ltd.	China
Arrow Electronic Components (Shanghai) Co., Ltd.	China
Arrow Electronics Distribution (Shanghai) Co., Ltd.	China

ATM Electronics Technology (Shenzhen) Co., Ltd.	China
Beijing Canon Advertising Co., Ltd	China
Chip One Stop (Shenzhen) Ltd.	China
Converge (Shanghai) International Trading Co. Ltd , Ltd.	China
Data Modul Electronics Electronic Technology (Shanghai) Co. Ltd.	China
Marubun/Arrow Electronics (Shenzhen) Company Limited Electronic Product Consulting Co Ltd	China
Richardson RFPD Electronics Trading (China) Co., Ltd.	China
Ultra Source Electronics (SZ) Co Ltd	China
Arrow Componentes ACCR, S.R.L.	Costa Rica
Arrow ECS A.S.	Czech Republic
Arrow Electronics Czech Republic s.r.o.	Czech Republic
Arrow Denmark ApS	Denmark
Arrow ECS Denmark A/S	Denmark
Arrow ECS Nordic A/S	Denmark

Entity Name (continued)	**Jurisdiction of Incorporation or Organization (continued)**
Arrow Electronics Danish Holdings Aps	Denmark
IP Vista A/S	Denmark
Avelabs LLC	Egypt
SiliconEgypt Technologies, LLC	Egypt

Entity Name (continued)	**Jurisdiction of Incorporation or Organization (continued)**
Arrow ECS Baltic OU	Estonia
Arrow Electronics Estonia OU	Estonia
Arrow ECS Finland OY	Finland
Arrow Finland OY	Finland
A.E. Petsche SAS	France
Arrow Capital Solutions SAS	France
Arrow ECS SAS	France
Arrow France SAS	France
Data Modul France S.a r.l	France
Richardson RFPD France SAS	France
Arrow Central Europe GmbH	Germany
Arrow Central Europe Holding Munich GmbH	Germany
Arrow Eastern Europe GmbH	Germany
Arrow ECS GmbH	Germany
Arrow Electronics EMEA Group GmbH	Germany
Arrow Electronics GmbH & Co. KG	Germany

Aspencore Media Avelabs Deutschland GmbH	Germany
CSS Computer Security Solutions Erwerbs GmbH	Germany
Data Modul AG	Germany
Data Modul Weikersheim GmbH	Germany
iQmine GmbH	Germany
Richardson RFPD Germany GmbH	Germany
Verwaltungsgesellschaft Arrow Electronics GmbH	Germany
Arrow Advanced Technology Limited	Hong Kong
Arrow Asia Distribution Limited	Hong Kong
Arrow Asia Pac. Limited	Hong Kong
Arrow Electronics Asia Ltd	Hong Kong
Arrow Electronics China Limited	Hong Kong
Arrow Electronics India Ltd. Limited	Hong Kong
Arrow/Components (Agent) Ltd.	Hong Kong
ATM Electronics Hong Kong Limited	Hong Kong
Chip One Stop (Hong Kong) Limited	Hong Kong
Converge (Hong Kong) Electronics Limited	Hong Kong
Data Modul Hong Kong Ltd.	Hong Kong
Marubun Arrow (HK) Limited	Hong Kong
Richardson RFPD Hong Kong Ltd	Hong Kong
TLW Electronics Ltd. Ltd	Hong Kong
Ultra Source Trading Hong Kong Limited	Hong Kong
Arrow ECS Kft.	Hungary
Arrow Electronics Holdings Vagyonkezelo, Kft	Hungary
Arrow Electronics Hungary Kereskedelmi Bt	Hungary
Marubun Arrow Europe Kft.	Hungary

Entity Name (continued)	**Jurisdiction of Incorporation or Organization (continued)**
Spoerle Hungary Kereskedelmi Kft	Hungary
Arrow Electronics India Private Ltd.	India
Arrow Enterprise Computing Solutions India Private Ltd Limited	India
Converge Electronics Trading (India) Private Ltd.	India
e-InfoChips Private Limited	India

Entity Name (continued)	**Jurisdiction of Incorporation or Organization (continued)**
PT Marubun Arrow Indonesia	Indonesia
Arrow ECS (Ireland) Limited	Ireland
Arrow ECS Support Center Ltd.	Israel
Arrow Enterprise Computing Solutions Ltd	Israel
Arrow/Rapac, Ltd	Israel

ARW Electronics, Ltd.	Israel
Richardson RFPD Israel Ltd.	Israel
A.E. Petsche Italia S.r.l.	Italy
Arrow ECS S.r.l.	Italy
Arrow Electronics EMEASA S.r.l.	Italy
Arrow Electronics Italia S.r.l.	Italy
Data Modul Italia S.r.l.	Italy
Richardson RFPD Italy Srl	Italy
Arrow Chip One Stop Holdings GK	Japan
Arrow Electronics Japan GK	Japan
Arrow Electronics Japan K.K.	Japan
Chip One Stop, Inc.	Japan
Converge (Japan) Electronics KK	Japan
E-InfoChips KK	Japan
Richardson RFPD Japan KK	Japan
Arrow Electronics (Jersey) Limited	Jersey
Arrow Electronics Korea Limited	Korea South
Excel Tech, Inc	Korea South
Lite-On Korea Ltd.	Korea South
Richardson RFPD (Korea) Ltd.	Korea South
Arrow ECS Sarl	Luxembourg
Arrow Components (M) Sdn Bhd	Malaysia
Arrow Electronics Labuan PTE Ltd	Malaysia
Distribution Central (MY) Sdn. Bhd.	Malaysia
Marubun-Arrow (M) Sdn. Bhd	Malaysia
Arrow International Holdings (Malta) Limited	Malta
Components Agent Asia Holdings Ltd.	Mauritius
A.E. Petsche Company, S. de R.L. de C.V.	Mexico
Arrow Components Mexico S.A. de C.V.	Mexico
Arrow Components Solutions Mexico, S. de R.L. de C.V.	Mexico
Arrow Electronics Mexico, S. de R.L. de C.V.	Mexico
Marubun-Arrow Mexico, S. de R.L. de C.V.	Mexico
Arrow ECS SARL	Morocco
Arrow ECS Support Center Morocco, S.A.R.L.A.U	Morocco
Arrow eCommerce B.V.	Netherlands
Arrow ECS B.V.	Netherlands

Entity Name (continued)	Jurisdiction of Incorporation or Organization (continued)
Arrow Electronics FC B.V.	Netherlands
Arrow Global Supply Chain Services B.V.	Netherlands
Avelabs B.V.	Netherlands
B.V. Arrow Electronics DLC	Netherlands
Converge Netherlands BV	Netherlands
Arrow Components (NZ)	New Zealand

Arrow ECS New Zealand Limited	New Zealand
Arrow ECS Norway AS	Norway

Entity Name (continued)	Jurisdiction of Incorporation or Organization (continued)
Arrow Norway A/S	Norway
Marubun/Arrow (Phils.) Inc.	Philippines
Arrow ECS Sp.z.o.o.	Poland
Arrow Electronics Poland Sp.zo.o.	Poland
Arrow Services Sp.z.o.o.	Poland
Data Modul Polska Sp.z o.o.	Poland
Arrow Iberia Electronica LDA	Portugal
ARROWECS Portugal Sociedade Unipessoal, Lda.	Portugal
ARW Portugal Unipessoal LDA	Portugal
Arrow Electronice Srl	Romania
Arrow Electronics Russ OOO	Russia
Arrow ECS Singapore Pte. Limited	Singapore
Arrow Electronics Asia (S) Pte Ltd	Singapore
Conrac Asia Display Products Pte. Ltd.	Singapore
Converge Asia Pte, Ltd.	Singapore
EDN Asia Advertising Pte Ltd.	Singapore
Marubun/Arrow (S) Pte Ltd	Singapore
NIC Components Asia Pte., Ltd.	Singapore
Richardson RFPD Singapore Pte Ltd	Singapore
Arrow ECS s. r. o.	Slovakia
Arrow Electronics Slovakia s.r.o	Slovakia
Arrow Electronics D.O.O.	Slovenia
Arrow Altech Distribution (Pty) Ltd.	South Africa
Arrow Altech Holdings (Pty) Ltd.	South Africa
Arrow Electronics South Africa LLP	South Africa
Erf 211 Hughes (Pty) Limited	South Africa
Arrow ECS Internet Security, S.L.	Spain
Arrow Enterprise Computing Solutions S.A.	Spain
Arrow Iberia Electronica SLU	Spain
ARW Enterprise Computing Solutions, S.A.	Spain
Data Modul Iberia S.L.	Spain
Richardson RFPD Spain SL	Spain
Arrow Components Sweden AB	Sweden
Arrow ECS Sweden AB	Sweden
Data Modul Suisse GmbH	Switzerland
AGSCS Taiwan Ltd.	Taiwan
Arrow Electronics Taiwan LTD	Taiwan

Entity Name (continued)	Jurisdiction of Incorporation or Organization (continued)
ATM Electronic Corp.	Taiwan
Richardson RFPD Taiwan Ltd.	Taiwan
Ultra Source Technology Corp.	Taiwan
Arrow Electronics (Thailand) Limited	Thailand
Marubun Arrow (Thailand) Co Limited	Thailand
Arrow Elektronik Ticaret, A.S.	Turkey
iQmine Yazilim ve Danismanlik A.S.	Turkey
Arrow Electronics Ukraine LLC	Ukraine
A.E. Petsche UK, Ltd.	United Kingdom

Entity Name (continued)	Jurisdiction of Incorporation or Organization (continued)
Arrow Electronics (UK) Ltd.	United Kingdom
Arrow Electronics Limited	United Kingdom
Arrow Enterprise Computing Solutions Limited	United Kingdom
Arrow Nordic Financing Limited	United Kingdom
COMPUTERLINKS (UK) Ltd.	United Kingdom
Data Modul Ltd.	United Kingdom
eInfochips UK Limited	United Kingdom
NIC Components Europe Limited	United Kingdom
Richardson RFPD UK Ltd.	United Kingdom
A.E. Petsche Company, Inc.	United States of America
Arrow Capital Solutions, Inc.	United States of America
Arrow Electronics (UK), Inc.	United States of America
Arrow Electronics Funding Corporation	United States of America
Arrow Electronics International Holdings, LLC	United States of America
Arrow Electronics International, Inc.	United States of America
Arrow Enterprise Computing Solutions, Inc.	United States of America
Arrow Financing US, LLC	United States of America
Arrow Global Asset Disposition, LLC	United States of America
Arrow Global Holdings, LLC	United States of America
Arrow Global Supply Chain Services Inc.	United States of America
Arrow Public Sector, Inc.	United States of America
Arrow United Holdings LLC	United States of America
Aspen Labs, LLC	United States of America
Aspencore China Investment L.L.C.	United States of America
Aspencore, LLC	United States of America
Avelabs America, LLC	United States of America
Data Modul Inc.	United States of America
Dicopel, Inc.	United States of America
EC America, Inc.	United States of America
eInfochips Inc.	United States of America

Embedded Developer L.L.C.	United States of America
Eshel Technology Group, Inc.	United States of America
immixGovernment, Inc.	United States of America
immixGroup, Inc.	United States of America
immixSolutions, Inc.	United States of America
immixTechnology, Inc.	United States of America
Marubun/Arrow USA II, LLC	United States of America

Entity Name (continued)	**Jurisdiction of Incorporation or Organization (continued)**
Marubun/Arrow USA, LLC	United States of America
NIC Components Corp.	United States of America
PCG Parent Corp.	United States of America
PCG Trading, LLC	United States of America
Richardson RFPD, Inc.	United States of America
Schuylkill Metals of Plant City, Inc.	United States of America
Seneca Data Distributors, Inc.	United States of America
Silicon Frameworks, LLC	United States of America
SiliconExpert Holdings LLC	United States of America

Entity Name (continued)	**Jurisdiction of Incorporation or Organization (continued)**
SiliconExpert Technologies, Inc.	United States of America
Transim Technology Corporation	United States of America

EXHIBIT 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-3 No. 333-253773) 333-277564) of Arrow Electronics, Inc. and related prospectus, and
2. Registration Statement (Form S-8 No. 333-207660) of Arrow Electronics, Inc., and
3. Registration Statement (Form S-8 No. 333-232934) of Arrow Electronics Inc.

of our reports dated February 13, 2024 February 11, 2025, with respect to the consolidated financial statements and schedule of Arrow Electronics, Inc. and the effectiveness of internal control over financial reporting of Arrow Electronics, Inc. included in this Annual Report (Form 10-K) of Arrow Electronics, Inc. for the year ended December 31, 2023 December 31, 2024.

/s/ Ernst & Young LLP

Denver, Colorado
February 13, 2024 11, 2025

Exhibit 31(i)(A)

Arrow Electronics, Inc.
Certification of Chief Executive Officer Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Sean J. Kerins, certify that:

1. I have reviewed this Annual Report on Form 10-K of Arrow Electronics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 13, 2024 11, 2025

By: /s/ Sean J. Kerins
Sean J. Kerins
President and Chief Executive Officer

Exhibit 31(i)(B)

Arrow Electronics, Inc.

Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Rajesh K. Agrawal, certify that:

1. I have reviewed this Annual Report on Form 10-K of Arrow Electronics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2024 11, 2025

By: /s/ Rajesh K. Agrawal

Rajesh K. Agrawal

Senior Vice President and Chief Financial Officer

Exhibit 32(i)

Arrow Electronics, Inc.

Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906")

In connection with the Annual Report on Form 10-K of Arrow Electronics, Inc. (the "company") for the year ended December 31, 2023 December 31, 2024 (the "Report"), I, Sean J. Kerins, President and Chief Executive Officer of the company, certify, pursuant to the requirements of Section 906, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the company.

Date: February 13, 2024 11, 2025

By: /s/ Sean J. Kerins
Sean J. Kerins
President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the company and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(ii)

Arrow Electronics, Inc.
Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (“Section 906”)

In connection with the Annual Report on Form 10-K of Arrow Electronics, Inc. (the “company”) for the year ended December 31, 2023 December 31, 2024 (the “Report”), I, Rajesh K. Agrawal, Senior Vice President and Chief Financial Officer of the company, certify, pursuant to the requirements of Section 906, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the company.

Date: February 13, 2024 11, 2025

By: /s/ Rajesh K. Agrawal
Rajesh K. Agrawal
Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the company and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 97

Arrow Electronics, Inc.
Dodd-Frank Compensation Clawback Policy
(Adopted and approved on September 13, 2023,and effective as of October 2, 2023)

A. Recoupment:

In the event that Arrow Electronics, Inc. (the “Company”) is required to undertake a Restatement, the Company shall reasonably promptly recover all Recoverable Compensation from any Covered Person during the Applicable Period (including those Covered Persons who are not Executive Officers at the time of the Restatement), unless the Compensation Committee determines it Impracticable to do so, after exercising a normal due process review of all the relevant facts and circumstances. Such recovery shall be made without regard to any individual knowledge or responsibility related to the Restatement or the Recoverable Compensation.

The Compensation Committee shall administer this Policy (the “Policy”) and, subject to applicable law, shall recoup such Recoverable Compensation as described below.

B. Definitions:

For purposes of this Policy, the following terms shall have the following meanings:

Applicable Period. "Applicable Period" means the three (3) completed fiscal years of the Company immediately preceding the earlier of (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that a Restatement is required; or (ii) on the date a regulator, court or other legally authorized entity directs the Company to undertake a Restatement. The "Applicable Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three (3) completed fiscal years identified in the preceding sentence; provided that a transition period between the last day of the Company's previous fiscal year-end and the first day of its new fiscal year that comprises a period of nine to 12 months will be deemed a completed fiscal year.

Board. "Board" means the Board of Directors of the Company.

Compensation Committee. "Compensation Committee" means the Company's committee of independent directors responsible for executive compensation decisions, or in the absence of such a committee, a majority of the independent directors serving on the Board.

Covered Person. "Covered Person" means any person who is, or was at any time, during the performance period applicable to the Incentive-Based Compensation in question, an Executive Officer of the Company.

Executive Officer. "Executive Officer" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (including an officer of the Company's parent(s) or subsidiaries) who performs similar policy-making functions for the Company.

Financial Reporting Measure. "Financial Reporting Measure" means a measure that is determined and presented in accordance with the accounting principles used in preparing the

Company's financial statements (including "non-GAAP" financial measures, such as those appearing in the Company's earnings releases or Management Discussion and Analysis), and any measure that is derived wholly or in part from such measure, including stock price and total shareholder return. For the avoidance of doubt, a measure need not be presented in the Company's financial statements or included in a filing with the U.S. Securities and Exchange Commission in order to be considered a Financial Reporting Measure.

Impracticable. The Compensation Committee may determine in good faith that recovery of Recoverable Compensation is "Impracticable" if: (i) recovery would violate a home country law that was adopted prior to November 28, 2022, and the Company provides an opinion of home country counsel, acceptable to the Company's listing exchange, to that effect to the Company's listing exchange; (ii) the direct expense paid to a third party to assist in enforcing this Policy would exceed the Recoverable Compensation and the Company has (A) made a reasonable attempt to recover such amounts and (B) provided documentation of such attempt(s) to recover to the Company's listing exchange; or (iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Incentive-Based Compensation. "Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation does not include any base salaries (except with respect to any salary increases earned wholly or in part based on the attainment of a Financial Reporting Measure performance goal); bonuses paid solely at the discretion of the Compensation Committee or Board that are not paid from a "bonus pool" that is determined by satisfying a Financial Reporting Measure performance goal; bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period; non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures; and equity awards that vest solely based on the passage of time and/or attaining one or more non-Financial Reporting Measures.

Received. Incentive-Based Compensation is deemed "Received" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained or purportedly attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

Recoverable Compensation. "Recoverable Compensation" means the amount of any Incentive-Based Compensation (calculated on a pre-tax basis) Received by a Covered Person during the Applicable Period that is in excess of the amount that otherwise would have been Received if the calculation were based on the Restatement. For the avoidance of doubt, Recoverable Compensation does not include any Incentive-Based Compensation Received by a person (i) before such person began service in a position or capacity meeting the definition of a "Covered Person," (ii) if such person did not meet the definition of a "Covered Person" at any time during the Applicable Period, or (iii) during any period the Company did not have a class of its securities listed on a national securities exchange or a national securities association. For the avoidance of doubt, Recoverable Compensation may include Incentive-Based Compensation Received by a person while serving as an employee if such person previously served as an Executive Officer and then transitioned to an employee role. For the avoidance of doubt, if the subject Incentive-Based Compensation (calculated on a pre-tax basis) was based on stock price or total shareholder return, where the Recoverable Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the Recoverable Compensation must be based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received, and documentation of such reasonable estimate must be provided to the Company's listing exchange.

Restatement. "Restatement" means an accounting restatement of any of the Company's financial statements due to the Company's material noncompliance with any financial reporting requirement under U.S. securities laws, regardless of whether Company or Covered Person misconduct was the cause for such restatement. "Restatement" includes any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as "Big R" restatements), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as "little r" restatements).

C. Means of Recoupment and Failure to Repay:

The Compensation Committee shall have discretion to determine the appropriate means of recoupment of Recoverable Compensation, which may include without limitation (and in no specific order of priority): (i) recoupment of cash or shares of Company stock; (ii) forfeiture of unvested cash or equity awards (including those subject to service-based and/or performance-based vesting conditions); (iii) cancellation of outstanding vested cash or equity awards (including those for which service-based and/or performance-based vesting conditions have been satisfied); (iv) offsetting of other amounts owed to the Covered Person; (v) reduction of future compensation; and (vi) any other remedial or recovery action permitted by law. Notwithstanding the foregoing, the Company makes no guarantee as to the impact of the recoupment of Recoverable Compensation pursuant to this Policy under Section 409A of the Internal Revenue Code of 1986, as amended, and shall have no liability with respect thereto. For the avoidance of doubt, appropriate means of recoupment may be with respect to amounts approved, awarded, or granted prior to the Effective Date. Except as set forth in this Policy, in no event may the Company accept an amount that is less than the amount of Recoverable Compensation in satisfaction of a Covered Person's obligations hereunder.

To the extent that a Covered Person fails to repay all Recoverable Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recoup such Recoverable Compensation from the applicable Covered Person. The applicable Covered Person may, in the Compensation Committee's discretion, be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recouping such Recoverable Compensation, and, in the event the Compensation Committee exercises such discretion, the applicable Covered Person shall reimburse the Company for any and all expenses reasonably incurred, as described above.

D. Other Actions and Recoupment:

Notwithstanding the terms of any other policy, program, agreement, or arrangement, in no event will the Company or any of its affiliates indemnify or reimburse a Covered Person for any loss under this Policy (including any claims relating to the Company's enforcement of rights under this Policy) and in no event shall the Company or any of its affiliates pay premiums on any insurance policy that would cover a Covered Person's potential obligations with respect to Recoverable Compensation under this Policy.

E. Acknowledgment by Covered Persons:

To the extent required by the Compensation Committee, each Covered Person shall be required to sign and return to the Company the acknowledgment form attached hereto as Exhibit A pursuant to which such Covered Person will agree to be bound by the terms of, and comply with, this Policy. For the avoidance of doubt, each Covered Person shall be fully bound by, and must comply with, the Policy, whether or not such Covered Person has executed and returned such acknowledgment form to the Company.

F. Other Laws:

The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims the Company or any of its affiliates may have or any actions that may be imposed by law enforcement agencies, regulators, administrative bodies, or other authorities. Further, the exercise by the Compensation Committee of any rights pursuant to this Policy shall be without prejudice to any other rights that the Company or the Compensation Committee may have with respect to any Executive Officer or other Covered Person subject to this Policy, including, but not limited to, any rights that the Company or the Compensation Committee may have under the Company's Incentive Compensation Clawback Policy. To the extent applicable, this Policy will be administered in a manner that complies with law and listing exchange requirements and shall be interpreted and construed accordingly. Notwithstanding the foregoing, there shall be no duplication of recovery of the same Recoverable Compensation under this Policy and under any other such rights or remedies the Company has with respect to the Covered Person.

G. Amendment; Termination:

Subject to Section H hereof, the Board or the Compensation Committee may amend or terminate this Policy at any time.

H. Interpretation; Enforcement:

This Policy will be interpreted and enforced, and appropriate disclosures and other filings with respect to this Policy will be made, in accordance with Rule 10D-1 of the Securities Exchange Act of 1934, as amended, and the Company's exchange listing standards, and to the extent this Policy is in any manner deemed inconsistent with such rule or the listing standards, this Policy shall be treated as retroactively amended to be compliant with the such rule and listing standards.

I. Effectiveness:

Except as otherwise set forth above, all Incentive-Based Compensation received by Covered Persons on or after October 2, 2023, shall be subject to this Policy.

EXHIBIT A

DODD-FRANK COMPENSATION CLAWBACK POLICY

ACKNOWLEDGMENT FORM

Capitalized terms used but not otherwise defined in this Acknowledgment Form (this "Acknowledgment Form") shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgment Form, the undersigned acknowledges, confirms, and agrees that the undersigned: (i) has received and reviewed a copy of the Policy; (ii) is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company; and (iii) will abide by the terms of the Policy, including, without limitation, by reasonably promptly returning any Recoverable Compensation to the Company as required by the Policy, as determined by the Compensation Committee in its sole discretion.

EXECUTIVE:

____

NAME **DATE**

DISCLAIMER