
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended December 31, 2016

Commission File #1-4224

AVNET, INC.

Incorporated in New York

IRS Employer Identification No. 11-1890605
2211 South 47th Street, Phoenix, Arizona 85034
(480) 643-2000

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller Reporting Company ☐
(Do not check if a smaller reporting company)

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

As of January 19, 2017, the total number of shares outstanding of the registrant’s Common Stock was 128,894,613 shares, net of treasury shares.

AVNET, INC. AND SUBSIDIARIES
INDEX

	<u>Page No.</u>
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Balance Sheets at December 31, 2016 and July 2, 2016</u>	2
<u>Consolidated Statements of Operations for the second quarters and six months ended December 31, 2016 and January 2, 2016</u>	3
<u>Consolidated Statements of Comprehensive Income for the second quarters and six months ended December 31, 2016 and January 2, 2016</u>	4
<u>Consolidated Statements of Cash Flows for the six months ended December 31, 2016 and January 2, 2016</u>	5
<u>Notes to Consolidated Financial Statements</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	23
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	31
<u>Item 4. Controls and Procedures</u>	31
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	31
<u>Item 1A. Risk Factors</u>	32
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	34
<u>Item 6. Exhibits</u>	35
<u>Signature Page</u>	36

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2016	July 2, 2016
	(Thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,270,142	\$ 1,031,478
Receivables, less allowances of \$34,010 and \$27,448, respectively	2,996,110	2,769,906
Inventories	2,697,796	2,559,921
Prepaid and other current assets	59,564	81,197
Assets held for sale (Note 3)	4,053,487	2,561,471
Total current assets	11,077,099	9,003,973
Property, plant and equipment, net	565,108	453,209
Goodwill	1,098,471	621,852
Intangible assets, net	296,058	22,571
Other assets	219,259	239,133
Non-current assets held for sale (Note 3)	—	899,067
Total assets	\$ 13,255,995	\$ 11,239,805
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 246,729	\$ 1,152,599
Accounts payable	1,774,021	1,590,777
Accrued expenses and other	456,397	394,888
Liabilities held for sale (Note 3)	2,332,646	1,804,229
Total current liabilities	4,809,793	4,942,493
Long-term debt	3,382,431	1,339,204
Other liabilities	351,909	223,053
Non-current liabilities held for sale (Note 3)	—	43,769
Total liabilities	8,544,133	6,548,519
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Common stock \$1.00 par; authorized 300,000,000 shares; issued 127,978,771 shares and 127,377,466 shares, respectively	127,979	127,377
Additional paid-in capital	1,491,125	1,452,678
Retained earnings	3,760,906	3,632,271
Accumulated other comprehensive loss	(667,975)	(520,775)
Treasury stock at cost, 24,592 shares and 27,314 shares, respectively	(173)	(265)
Total shareholders' equity	4,711,862	4,691,286
Total liabilities and shareholders' equity	\$ 13,255,995	\$ 11,239,805

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Second Quarters Ended		Six Months Ended	
	December 31,	January 2,	December 31,	January 2,
	2016	2016	2016	2016
	(Thousands, except per share amounts)			
Sales	\$ 4,273,559	\$ 4,161,082	\$ 8,391,663	\$ 8,689,667
Cost of sales	3,687,374	3,656,024	7,282,823	7,628,440
Gross profit	586,185	505,058	1,108,840	1,061,227
Selling, general and administrative expenses	431,555	354,858	795,227	731,918
Restructuring, integration and other expenses	30,400	14,083	59,869	26,601
Operating income	124,230	136,117	253,744	302,708
Other expense, net	(36,514)	(2,052)	(50,248)	(1,169)
Interest expense	(26,748)	(20,965)	(53,984)	(42,997)
Income from continuing operations before income taxes	60,968	113,100	149,512	258,542
Income tax expense	28,503	10,959	49,359	47,477
Income from continuing operations	32,465	102,141	100,153	211,065
Income from discontinued operations	70,753	53,871	71,908	75,201
Net income	\$ 103,218	\$ 156,012	\$ 172,061	\$ 286,266
Earnings per share - basic:				
Continuing operations	\$ 0.25	\$ 0.77	\$ 0.78	\$ 1.59
Discontinued operations	0.55	0.41	0.56	0.56
Net income per share - basic	\$ 0.80	\$ 1.18	1.34	2.15
Earnings per share - diluted:				
Continuing operations	\$ 0.25	\$ 0.76	\$ 0.77	\$ 1.56
Discontinued operations	0.54	0.40	0.55	0.55
Net income per share - diluted	\$ 0.79	\$ 1.16	\$ 1.32	\$ 2.11
Shares used to compute earnings per share:				
Basic	127,901	131,909	127,716	132,846
Diluted	130,347	134,918	130,055	135,622
Cash dividends paid per common share	\$ 0.17	\$ 0.17	\$ 0.34	\$ 0.34

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Second Quarters Ended		Six Months Ended	
	December 31, 2016	January 2, 2016	December 31, 2016	January 2, 2016
(Thousands)				
Net income	\$ 103,218	\$ 156,012	\$ 172,061	\$ 286,266
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments and other	(182,663)	(68,637)	(151,002)	(108,885)
Pension adjustments, net	3,183	2,157	3,802	4,224
Total comprehensive (loss) income	<u>\$ (76,262)</u>	<u>\$ 89,532</u>	<u>\$ 24,861</u>	<u>\$ 181,605</u>

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended	
	December 31, 2016	January 2, 2016
	(Thousands)	
Cash flows from operating activities:		
Net income	\$ 172,061	\$ 286,266
Less: Income from discontinued operations, net of tax	71,908	75,201
Income from continuing operations	100,153	211,065
Non-cash and other reconciling items:		
Depreciation	45,616	33,991
Amortization	11,759	4,034
Deferred income taxes	9,312	(708)
Stock-based compensation	32,525	38,424
Other, net	13,069	18,240
Changes in (net of effects from businesses acquired):		
Receivables	(127,153)	261,855
Inventories	139,672	(189,595)
Accounts payable	133,698	(240,474)
Accrued expenses and other, net	(55,437)	(66,251)
Net cash flows provided by operating activities - continuing operations	303,214	70,581
Net cash flows (used) provided by operating activities - discontinued operations	(63,124)	13,661
Net cash flows provided by operating activities	240,090	84,242
Cash flows from financing activities:		
Issuance of notes, net of issuance costs	296,374	—
Borrowings (repayment) of notes	(378,559)	(250,000)
Repayments under accounts receivable securitization, net	(264,963)	39,972
Borrowings of bank and revolving debt, net	752,196	417,982
Borrowings under term loans	530,756	—
Repurchases of common stock (Note 10)	—	(184,704)
Dividends paid on common stock	(43,426)	(45,020)
Other, net	13,825	(1,080)
Net cash flows provided (used) for financing activities - continuing operations	906,203	(22,850)
Net cash flows provided (used) for financing activities - discontinued operations	(16,505)	26,389
Net cash flows provided by financing activities	889,698	3,539
Cash flows from investing activities:		
Purchases of property, plant and equipment	(70,424)	(74,392)
Acquisitions of businesses, net of cash acquired (Note 2)	(798,366)	—
Other, net	7,766	9,111
Net cash flows used for investing activities - continuing operations	(861,024)	(65,281)
Net cash flows used for investing activities - discontinued operations	(3,093)	(20,988)
Net cash flows used for investing activities	(864,117)	(86,269)
Effect of currency exchange rate changes on cash and cash equivalents	(27,007)	(17,977)
Net change in cash and cash equivalents	238,664	(16,465)
Cash and cash equivalents at beginning of period	1,031,478	932,553
Cash and cash equivalents at end of period	\$ 1,270,142	\$ 916,088

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of presentation and new accounting pronouncements

In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all adjustments necessary to present fairly Avnet, Inc.'s and its consolidated subsidiaries' (collectively, the "Company" or "Avnet") financial position, results of operations, comprehensive income (loss) and cash flows. All such adjustments are of a normal recurring nature.

The preparation of financial statements in accordance with generally accepted accounting principles in the U.S. ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Actual results may differ from these estimates.

Interim results of operations are not necessarily indicative of the results to be expected for the full fiscal year. The information included in this Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the fiscal year ended July 2, 2016.

Certain reclassifications have been made in prior periods and the fiscal year to date current periods to conform to the current period presentation.

Discontinued Operations

The results of operations for Avnet's Technology Solutions ("TS") business, including all businesses subject to the pending TS sale, have been classified as discontinued operations for all periods presented in the consolidated statements of operations and the consolidated statements of cash flows. The assets and liabilities of TS are classified as held for sale in the consolidated balance sheets. See Note 3 for additional information.

Fiscal year

The Company operates on a "52/53 week" fiscal year and fiscal 2017 contains 52 weeks compared to 53 weeks in fiscal 2016. As a result, the first six months of fiscal 2017 contained 26 weeks compared to the first six months of fiscal 2016, which contained 27 weeks.

New accounting pronouncements

In October 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory* ("ASU 2016-16"). The update amends accounting guidance for intra-entity transfer of assets other than inventory to require the recognition of income tax consequences when the transfer occurs. The update is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. A modified retrospective approach should be applied. The Company is currently evaluating the impact of the adoption of ASU 2016-16 on its consolidated financial statements.

In August 2016, the FASB issued Accounting Standards Update No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). The update provides guidance for eight specific cash flow classification issues with respect to how certain cash receipts and cash payments are presented and classified within the statement of cash flows in an effort to reduce existing diversity in practice. The standard is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. ASU 2016-15 should be applied using a retrospective transition method to each period presented. The Company is currently evaluating the impacts of the adoption of ASU 2016-15 on its consolidated statements of cash flows.

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

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)* (“ASU 2016-02”). The update requires a lessee to recognize assets and liabilities on the consolidated balance sheets for leases with lease terms greater than 12 months. ASU 2016-02 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted. The update will be effective for the Company in the first quarter of fiscal 2020, using a modified retrospective approach. The Company is currently evaluating the impact of the adoption of ASU 2016-02 on its consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09”), as amended, to supersede nearly all existing revenue recognition guidance under GAAP. The core principles of ASU 2014-09 are to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. Application of the guidance in ASU 2014-09 may require more judgment and estimates within the revenue recognition process compared to existing GAAP. In July 2015, the FASB approved a one-year delay in the effective date of ASU 2014-09, which makes the effective date for the Company the first quarter of fiscal 2019. The Company may adopt the requirements of ASU 2014-09 using either of two acceptable adoption methods: (i) retrospective adoption to each prior reporting period presented with the option to elect certain practical expedients as defined within ASU 2014-09; or (ii) adoption with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined within ASU 2014-09. The Company is currently evaluating the impact of the future adoption of ASU 2014-09 on its consolidated financial statements, including the method of adoption to be used.

2. Acquisitions

Premier Farnell

On October 17, 2016, the Company completed its acquisition of Premier Farnell Plc (“PF”), a global distributor of electronic components and related products delivering engineering solutions to the electronic system design community utilizing multi-channel sales and marketing resources. Management believes that the combined business of the Electronics Marketing (“EM”) operating group and PF will create a unique electronic components distribution value proposition, which will expand Avnet’s digital footprint worldwide and allow the Company to reach engineers and makers earlier in the design cycle.

The cash consideration paid for the acquisition was \$839.7 million, which consisted of £1.85 per share of PF common stock. Additionally, Avnet assumed \$229.2 million of debt at carrying value. The Company is integrating PF and the goodwill acquired into its EM operating group.

In connection with the acquisition of PF, the Company incurred certain acquisition related costs during the first six months of fiscal 2017, including approximately \$19.0 million of acquisition related professional fees and closing costs included within restructuring, integration and other expenses, and approximately \$43.0 million of expenses within other expenses, net for acquisition financing related fees including foreign currency economic hedging costs and bridge financing commitment fees. PF contributed approximately \$9.0 million of income from continuing operations in the second quarter of fiscal 2017 since the date of acquisition.

Preliminary allocation of purchase price

The Company has not yet completed its evaluation and determination of certain assets and liabilities acquired, primarily (i) the final valuation of amortizable intangible assets acquired, (ii) the final assessment and valuation of certain assets acquired and liabilities assumed, including working capital, accrued liabilities, other asset and liabilities and property, plant and equipment, and (iii) the final assessment and valuation of certain income tax accounts. The Company expects these final valuations and assessments will be completed by the end of fiscal 2017, which may result in adjustments to the preliminary values included in the following table:

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

	Preliminary Acquisition Method Values (Thousands)
Cash	\$ 46,354
Trade and other receivables, net	187,303
Inventories	334,682
Property, plant and equipment	95,232
Intangible assets	288,534
Total identifiable assets acquired	<u>\$ 952,105</u>
Accounts payable, accrued liabilities and other current liabilities	\$ 177,639
Short-term debt	242,918
Other long-term liabilities	156,950
Total identifiable liabilities acquired	<u>\$ 577,507</u>
Net identifiable assets acquired	<u>374,598</u>
Goodwill	466,722
Net assets acquired	<u>\$ 841,320</u>

Trade receivables of \$160.4 million were recorded at preliminary estimated fair value amounts; however, preliminary adjustments to acquired amounts were not significant as book value approximated fair value due to the short term nature of trade receivables.

Approximately \$10.0 million of goodwill associated with the PF acquisition is expected to be deductible for tax purposes.

Pro forma and historical results

Unaudited pro forma information is presented as if the acquisition of PF occurred at the beginning of fiscal 2016. The pro forma information presented below does not purport to present what actual results would have been had the acquisition in fact occurred at the beginning of fiscal 2016, nor does the information project results for any future period.

	Second Quarter Ended		Six Months Ended	
	December 31, 2016	January 2, 2016	December 31, 2016	January 2, 2016
	(Thousands, except per share data)			
Pro forma sales	\$ 4,323,198	\$ 4,484,189	\$ 8,770,015	\$ 9,352,305
Pro forma income from continuing operations	45,652	103,988	133,381	227,526

Pro forma results from continuing operations above exclude any benefits that may result from the acquisition due to synergies derived from sales opportunities, the elimination of any duplicative costs and from lower interest costs. Pro forma results exclude restructuring and acquisition/divestiture related expenses incurred by PF in their historical results of operations and include amortization expense associated with identifiable intangible assets related to the Company's acquisition of PF. Pro forma results also exclude interest expense and other expenses, net related to acquisition/divestiture costs as well as any discrete income tax related expenses. PF generated sales of \$269.0 million in the second quarter of fiscal 2017 since the date of acquisition.

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

During November 2016, the Company acquired Hackster, Inc. (“Hackster”), a start-up online community of engineers, makers and hobbyists. The purchase price of Hackster was not material to the Company’s consolidated financial statements.

3. Discontinued operations

In September 2016, the Company entered into a definitive agreement to sell its TS business to Tech Data Corporation (the “Buyer”), for approximately \$2.60 billion in a combination of \$2.40 billion in cash and 2.8 million shares of the Buyer. The ultimate selling price and related sale proceeds will be adjusted for changes in certain net assets provided to the Buyer as of the closing date, as compared to certain net assets expected in the definitive agreement. As a result of such agreement, the assets and liabilities of the Company’s TS and associated businesses being sold to the Buyer (the “TS business”) were classified as held for sale. The TS business has been classified as a discontinued operation for all periods presented as the sale of the TS business represents a strategic shift to Avnet. As of December 31, 2016, the TS business continues to be a reportable segment, as discussed further in Note 13. Upon completion of the sale of TS, which is expected to occur by the end of fiscal 2017, the Company expects to record a gain on sale as the selling price is in excess of the carrying value. After completion of the sale of TS, the Company will provide certain customary transition services to the Buyer for a period of time, and the payments received for such transition services will be reflected as a reduction to the expenses incurred by the Company to provide such transition services.

Summarized assets and liabilities of the TS business, classified as held for sale as of December 31, 2016, and July 2, 2016, are as follows:

	December 31, 2016	July 2, 2016
	(Thousands)	
Receivables, less allowances of \$35,649 and \$39,356, respectively	\$ 2,832,218	\$ 2,205,213
Inventories	271,080	296,310
Prepaid and other current assets	59,401	59,948
Total current assets	3,162,699	2,561,471
Property, plant and equipment, net	152,439	159,449
Goodwill	648,157	659,368
Intangible assets, net	49,616	55,826
Other assets	40,576	24,424
Total assets	<u>\$ 4,053,487</u>	<u>\$ 3,460,538</u>
Accounts payable	\$ 2,114,323	\$ 1,643,004
Accrued expenses and other	164,796	161,225
Total current liabilities	2,279,119	1,804,229
Other Long-term liabilities	53,527	43,769
Total liabilities	<u>\$ 2,332,646</u>	<u>\$ 1,847,998</u>

Summarized results of the TS business discontinued operations for the second quarters and six months ended December 31, 2016, and January 2, 2016 are as follows:

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

	Second Quarters Ended		Six Months Ended	
	December 31, 2016	January 2, 2016	December 31, 2016	January 2, 2016
	(Thousands)		(Thousands)	
Sales	\$ 2,453,262	\$ 2,686,975	\$ 4,375,464	\$ 5,128,084
Cost of sales	2,199,235	2,413,865	3,928,164	4,619,667
Gross profit	254,027	273,110	447,300	508,417
Selling, general and administrative expenses	158,356	175,973	324,381	357,469
Restructuring, integration and other expenses	3,316	7,139	7,540	20,579
Operating income	92,355	89,998	115,379	130,369
Interest and expense, net	(10,635)	(5,891)	(10,630)	(14,197)
Income from discontinued operations before income taxes	81,720	84,107	104,749	116,172
Income tax expense	10,967	30,236	32,841	40,971
Income from discontinued operations, net of taxes	\$ 70,753	\$ 53,871	\$ 71,908	\$ 75,201

Sales in the second quarter and six months of fiscal 2016 included the impact of an extra week of sales as discussed further in Note 1.

Included within selling, general and administrative expenses of discontinued operations was \$14.1 million and \$12.3 million of corporate expenses specific to or benefiting the TS business for the second quarters ending December 31, 2016, and January 2, 2016, respectively, and \$26.6 million and \$27.4 million for the first six months ending December 31, 2016, and January 2, 2016, respectively. Corporate costs related to general overhead were not allocated to the TS business. Subsequent to the first quarter of fiscal 2017, depreciation and amortization of the TS business long-lived assets has ceased due to the TS business being classified as held for sale.

Upon completion of the sale, a portion of the proceeds will be used to pay taxes related to the gain on sale.

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

4. Goodwill and intangible assets

Goodwill

The following table presents the change in goodwill from continuing operations since the end of fiscal 2016. All of the accumulated impairment was recognized in fiscal 2009.

	Electronics Marketing (Thousands)
Gross goodwill	\$ 1,666,962
Accumulated impairment	(1,045,110)
Carrying value at July 2, 2016	621,852
Acquisitions	479,499
Adjustments	—
Foreign currency translation	(2,880)
Carrying value at December 31, 2016	\$ 1,098,471
Gross goodwill	\$ 2,143,581
Accumulated impairment	(1,045,110)
Carrying value at December 31, 2016	\$ 1,098,471

As discussed in Note 3, the Company classified goodwill related to the TS reporting units as held for sale as of December 31, 2016, and July 2, 2016. During the first quarter of fiscal 2017, in connection with the planned sale of the TS business, the Company evaluated goodwill related to TS for impairment and concluded that goodwill related to the TS business was recoverable as the negotiated TS selling price was in excess of its carrying value.

Intangible Assets

The following table presents the Company's acquired intangible assets from continuing operations at December 31, 2016, and July 2, 2016, respectively.

	December 31, 2016			July 2, 2016		
	Acquired Amount	Accumulated Amortization	Net Book Value	Acquired Amount	Accumulated Amortization	Net Book Value
	(Thousands)					
Customer related	\$ 50,505	\$ (37,587)	\$ 12,918	\$ 47,980	\$ (34,515)	\$ 13,465
PF acquired intangibles (Note 2)	283,482	(7,755)	275,727	—	—	—
Trade name	2,163	(1,406)	757	3,746	(2,718)	1,028
Other	11,667	(5,011)	6,656	12,356	(4,278)	8,078
	\$ 347,817	\$ (51,759)	\$ 296,058	\$ 64,082	\$ (41,511)	\$ 22,571

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

Intangible asset amortization expense from continuing operations was \$9.8 million and \$1.7 million for the second quarters of fiscal 2017 and 2016, respectively, and \$11.8 million and \$4.0 million for the first six months of fiscal 2017 and 2016, respectively. Intangible assets from continuing operations have a weighted average remaining useful life of approximately 7 years. The following table presents the estimated future amortization expense from continuing operations for the remainder of fiscal 2017, the next five fiscal years and thereafter (in thousands):

Fiscal Year

Remainder of fiscal 2017	27,700
2018	41,572
2019	40,246
2020	39,159
2021	38,353
Thereafter	109,028
Total	\$ 296,058

5. Debt

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

	December 31, 2016	July 2, 2016	December 31, 2016	July 2, 2016
	Interest Rate		Carrying Balance	
Bank credit facilities and other	5.06 %	4.62 %	\$ 246,729	\$ 122,599
Accounts receivable securitization program	—	0.93 %	—	730,000
Notes due September 2016	—	6.63 %	—	300,000
Short-term debt			\$ 246,729	\$ 1,152,599

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

In connection with the PF acquisition, discussed further in Note 2, the Company assumed debt including private placement notes, which the Company planned to repay in connection with the acquisition. In December 2016 and January 2017, the Company paid \$78.6 million and \$152.2 million, respectively, to redeem the assumed private placement notes. The repayments were made with the proceeds from the issuance of \$300 million 3.75% of Notes due December 2021 as discussed further below.

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

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

	December 31, 2016	July 2, 2016	December 31, 2016	July 2, 2016
	Interest Rate		Carrying Balance	
Revolving credit facilities:				
Accounts receivable securitization program	1.22 %	—	\$ 465,000	\$ —
Credit Facility	2.04 %	1.72 %	927,174	150,000
Term Loan	1.38 %	—	503,715	—
Notes due:				
June 2020	5.88 %	5.88 %	300,000	300,000
December 2021	3.75 %	—	300,000	—
December 2022	4.88 %	4.88 %	350,000	350,000
April 2026	4.63 %	4.63 %	550,000	550,000
Other long-term debt	2.21 %	1.92 %	1,159	1,551
Long-term debt before discount and debt issuance costs			3,397,048	1,351,551
Discount and debt issuance costs			(14,617)	(12,347)
Long-term debt			\$ 3,382,431	\$ 1,339,204

In December 2016, the Company issued \$300.0 million of 3.75% Notes due December 2021 (“3.75% Notes”). The Company received proceeds of \$296.4 million from the offering, net of discounts and debt issuance costs. The 3.75% Notes rank equally in right of payment with all existing and future senior unsecured debt of Avnet and interest will be payable semi-annually each year on June 1 and December 1.

In August 2016, the Company amended and extended its accounts receivable securitization program (the “Program”) with a group of financial institutions to allow the Company to transfer, on an ongoing revolving basis, an undivided interest in a designated pool of trade accounts receivable, to provide security or collateral for borrowings up to a maximum of \$800.0 million. The Program does not qualify for off balance sheet accounting treatment and any borrowings under the Program are recorded as debt in the consolidated balance sheets. Under the Program, the Company legally sells and isolates certain U.S. trade accounts receivable into a wholly owned and consolidated bankruptcy remote special purpose entity. Such receivables, which are recorded within “Receivables” in the consolidated balance sheets, totaled \$1.81 billion and \$1.46 billion at December 31, 2016, and July 2, 2016, respectively. The Program contains certain covenants relating to the quality of the receivables sold. The Program also requires the Company to maintain certain minimum interest coverage and leverage ratios, which the Company was in compliance with as of December 31, 2016, and July 2, 2016. The Program has a two-year term that expires in August 2018 and as a result is considered long-term debt as of December 31, 2016. Interest on borrowings is calculated using a base rate or a commercial paper rate plus a spread of 0.40% with a facility fee of 0.40%.

The Company has a five-year \$1.25 billion senior unsecured revolving credit facility (the “Credit Facility”) with a syndicate of banks, consisting of revolving credit facilities and the issuance of up to \$150.0 million of letters of credit, which expires in July 2019. Subject to certain conditions, the Credit Facility may be increased up to \$1.5 billion. Under the Credit Facility, the Company may select from various interest rate options, currencies and maturities. The Credit Facility contains certain covenants including various limitations on debt incurrence, share repurchases, dividends, investments and capital expenditures. The Credit Facility also includes financial covenants requiring the Company to maintain minimum interest coverage and leverage ratios, which the Company was in compliance with as of December 31, 2016, and July 2, 2016. As of December 31, 2016, and July 2, 2016, there were \$4.8 million and \$5.6 million, respectively, in letters of credit issued under the Credit Facility.

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

In October 2016, certain foreign subsidiaries of the Company (the “Borrowers”) borrowed €479 million under a Senior Unsecured Term Loan Credit Agreement (the “Term Loan”) entered into with a group of banks. The Term Loan has a maturity date of October 17, 2019. The proceeds from borrowings under the Term Loan were used to finance a portion of the cash consideration and any fees and expenses related to the Company’s acquisition of PF discussed further in Note 2. The Term Loan is unsecured and contains financial covenants consistent with the Credit Facility. The Company was in compliance with such financial covenants as of December 2016.

As of December 31, 2016, the carrying value and fair value of the Company’s total debt was \$3.63 billion and \$3.66 billion, respectively. At July 2, 2016, the carrying value and fair value of the Company’s total debt was \$2.49 billion and \$2.59 billion, respectively. Fair value for the notes and Term Loan was estimated based upon quoted market prices and for other forms of debt fair value approximates carrying value due to the market based variable nature of the interest rates on those debt agreements.

6. Derivative financial instruments

Many of the Company’s subsidiaries purchase and sell products in currencies other than their functional currencies. This subjects the Company to the risks associated with fluctuations in foreign currency exchange rates. The Company reduces this risk by utilizing natural hedging (e.g., offsetting receivables and payables in the same foreign currency) as well as by creating offsetting positions through the use of derivative financial instruments, primarily forward foreign exchange contracts typically with maturities of less than sixty days (“economic hedges”). The Company continues to have exposure to foreign currency risks to the extent they are not hedged. The Company adjusts any economic hedges to fair value through the consolidated statements of operations primarily within “other expense, net.” Therefore, the changes in valuation of the underlying items being economically hedged are typically offset by the changes in fair value of the forward foreign currency exchange contracts. The fair value of forward foreign exchange contracts, which are based upon Level 2 criteria under the ASC 820 fair value hierarchy, are classified in the captions “other current assets” or “accrued expenses and other,” as applicable, in the accompanying consolidated balance sheets as of December 31, 2016, and July 2, 2016. The Company’s master netting and other similar arrangements with various financial institutions related to derivative financial instruments allow for the right of offset. The Company’s policy is to present derivative financial instruments with the same counterparty as either a net asset or liability when the right of offset exists.

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

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

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

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

	December 31, 2016	July 2, 2016
	(Thousands)	
Forward foreign currency exchange contracts not receiving hedge accounting treatment recorded in:		
Other current assets	\$ 2,386	\$ 9,681
Accrued expenses	3,409	6,369

The amounts recorded to other expense, net from continuing operations related to derivative financial instruments for economic hedges are as follows:

	Second Quarters Ended		Six Months Ended	
	December 31, 2016	January 2, 2016	December 31, 2016	January 2, 2016
	(Thousands)			
Net derivative financial instrument gain (loss)	\$ 771	\$ (5,461)	\$ (8,737)	\$ (1,789)

Additionally, during the first six months and second quarter of fiscal 2017, there is approximately \$35.0 million and \$27.0 million, respectively, of derivative financial instrument losses in other expenses, net associated with foreign currency derivative financial instruments purchased to economically hedge the British Pound purchase price of the PF acquisition as discussed in Note 2. As a result of the foreign currency economic hedging strategy in place, the Company economically protected itself from a weakening of the U.S. Dollar compared to the British Pound and the Company's purchase price was approximately \$75.0 million lower than its original bid price.

The Company's outstanding economic hedges from continuing operations had average maturities of 49 days and 53 days as of December 31, 2016, and July 2, 2016, respectively. Under the Company's economic hedging policies, gains and losses on the derivative financial instruments are substantially offset by the gains and losses on the underlying assets or liabilities being hedged.

7. Commitments and contingencies

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

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

During the first quarter of fiscal 2017, the Company reached a final settlement related to the compliance investigation conducted by the Customs and Border Protection for potential unpaid import duties associated with the acquisition of Bell Microproducts Inc. for \$8.5 million, which was accrued for in connection with the acquisition in fiscal 2011.

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

As of December 31, 2016, the Company had aggregate estimated liabilities of \$11.7 million, classified within accrued expenses and other for such compliance-related matters that were reasonably estimable as of such dates.

8. Income taxes

The Company's effective tax rate on its income before income taxes from continuing operations was 46.7% in the second quarter of fiscal 2017 as compared with 9.7% in the second quarter of fiscal 2016. During the second quarter of fiscal 2017, the Company's effective tax rate was unfavorably impacted primarily by (i) net increases to valuation allowances against deferred tax assets created primarily from acquisition related expenses that were deemed unrealizable and (ii) the impact of non-deductible acquisition related expenses, partially offset by (iii) the mix of income in lower tax jurisdictions. During the second quarter of fiscal 2016, the Company's effective tax rate was favorably impacted primarily by (i) the mix of income in lower tax jurisdictions, (ii) the release of valuation allowances against deferred tax assets that were deemed to be realizable and (iii) the release of reserves related to audit settlements and the expiration of statutes of limitation.

For the first six months of fiscal 2017 and 2016, the Company's effective tax rate was 33.0% and 18.4%, respectively. The effective tax rate for the first six months of fiscal 2017 was unfavorably impacted primarily by (i) net increases to valuation allowances against deferred tax assets that were deemed unrealizable and (ii) the impact of non-deductible acquisition related expenses, partially offset by (iii) the mix of income in lower tax jurisdictions. The effective tax rate for the first six months of fiscal 2016 was favorably impacted primarily by (i) the mix of income in lower tax jurisdictions, (ii) the release of valuation allowances against deferred tax assets that were deemed to be realizable and (iii) the release of reserves related to audit settlements and the expiration of statutes of limitation.

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

The Company continues to evaluate the need for the valuation allowances against its deferred tax assets and will adjust valuation allowances as appropriate, which, if adjusted, could result in a significant decrease or increase to the effective tax rate in the period of the adjustment.

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

9. Pension plan

The Company has a noncontributory defined benefit pension plan (the “Plan”) for which the components of net periodic pension costs were as follows (includes amounts related to discontinued operations):

	Second Quarters Ended		Six Months Ended	
	December 31,	January 2,	December 31,	January 2,
	2016	2016	2016	2016
	(Thousands)			
Service cost	\$ 10,848	\$ 9,935	\$ 21,696	\$ 20,421
Interest cost	3,774	5,328	7,548	10,656
Expected return on plan assets	(10,588)	(10,071)	(21,176)	(20,142)
Recognized net actuarial loss	3,851	3,183	7,702	6,366
Amortization of prior service credits	(393)	(393)	(786)	(786)
Net periodic pension cost	<u>\$ 7,492</u>	<u>\$ 7,982</u>	<u>\$ 14,984</u>	<u>\$ 16,515</u>

The Company made contributions to the Plan of \$20.0 million during the first six months of fiscal 2017. The Company expects to make an additional contribution to the Plan of \$20.0 million over the remaining two quarters of fiscal 2017.

The Plan meets the definition of a defined benefit plan and as a result, the Company must apply ASC 715 pension accounting to the Plan. The Plan itself, however, is a cash balance plan that is similar in nature to a defined contribution plan in that a participant’s benefit is defined in terms of a stated account balance. A cash balance plan provides the Company with the benefit of applying any earnings on the Plan’s investments beyond the fixed return provided to participants, toward the Company’s future cash funding obligations.

Amounts reclassified out of accumulated other comprehensive income (loss), net of tax, to operating expenses during the second quarters of fiscal 2017 and fiscal 2016 were not material and substantially all related to net periodic pension costs including recognition of actuarial losses and amortization of prior service credits.

In connection with the completion of the sale of the TS business discussed in Note 3, the Company expects to recognize an immaterial pension curtailment expense as a component of discontinued operations.

In connection with the acquisition of PF discussed further in Note 2, the Company acquired closed defined benefit plans in both the U.S. and U.K. The pension expense recognized during the second quarter of fiscal 2017 for these frozen plans was not material.

10. Shareholders’ equity

Share repurchase program

In August 2015, the Company’s Board of Directors amended the Company’s existing share repurchase program to authorize the repurchase of up to \$1.25 billion of common stock in the open market or through privately negotiated transactions. The timing and actual number of shares repurchased will depend on a variety of factors such as share price, corporate and regulatory requirements, and prevailing market conditions. During the second quarter and first six months of fiscal 2017, the Company did not repurchase any shares under this program. Since the beginning of the repurchase program through the end of the second quarter of fiscal 2017, the Company has repurchased 31.4 million shares at an aggregate cost of \$1.08 billion, and \$174.9 million remains available for future repurchases.

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

Common stock dividend

In November 2016, the Company's Board of Directors approved a dividend of \$0.17 per common share and dividend payments of \$21.8 million were made in December 2016.

11. Earnings per share

	Second Quarters Ended		Six Months Ended	
	December 31, 2016	January 2, 2016	December 31, 2016	January 2, 2016
	(Thousands, except per share data)			
Numerator:				
Income - continuing operations, after tax	\$ 32,465	\$ 102,141	\$ 100,153	\$ 211,065
Income - discontinued operations, after tax	70,753	53,871	71,908	75,201
Net income	<u>\$ 103,218</u>	<u>\$ 156,012</u>	<u>\$ 172,061</u>	<u>\$ 286,266</u>
Denominator:				
Weighted average common shares for basic earnings per share	127,901	131,909	127,716	132,846
Net effect of dilutive stock options, restricted stock units and performance share units	<u>2,446</u>	<u>3,009</u>	<u>2,339</u>	<u>2,776</u>
Weighted average common shares for diluted earnings per share	<u>130,347</u>	<u>134,918</u>	<u>130,055</u>	<u>135,622</u>
Basic earnings per share - continuing operations	\$ 0.25	\$ 0.77	\$ 0.78	\$ 1.59
Basic earnings per share - discontinued operations	0.55	0.41	0.56	0.56
Basic earnings per share	<u>\$ 0.80</u>	<u>\$ 1.18</u>	<u>\$ 1.34</u>	<u>\$ 2.15</u>
Diluted earnings per share - continuing operations	\$ 0.25	\$ 0.76	\$ 0.77	\$ 1.56
Diluted earnings per share - discontinued operations	0.54	0.40	0.55	0.55
Diluted earnings per share	<u>\$ 0.79</u>	<u>\$ 1.16</u>	<u>\$ 1.32</u>	<u>\$ 2.11</u>
Stock options excluded from earnings per share calculation due to anti-dilutive effect	7	—	7	—

See Note 3 for additional information on income from discontinued operations.

12. Additional cash flow information

Interest and income taxes paid were as follows:

	Six Months Ended	
	December 31, 2016	January 2, 2016
	(Thousands)	
Interest	\$ 62,217	\$ 52,724
Income taxes	\$ 60,881	\$ 48,942

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

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

Non-cash investing activities related to purchases of property, plant and equipment that have been accrued, but not paid for, were \$9.5 million and \$12.7 million as of December 31, 2016, and January 2, 2016, respectively.

Included in cash and cash equivalents from continuing operations as of December 31, 2016, and July 2, 2016, was \$9.1 million and \$8.7 million, respectively, of cash equivalents, which was primarily comprised of overnight time deposits whose fair value was determined using Level 1 measurements under the ASC 820 fair value hierarchy.

13. Segment information

Electronics Marketing (“EM”) and Technology Solutions (“TS”) are the Company’s reportable segments (“operating groups”). EM markets and sells semiconductors and interconnect, passive and electromechanical devices and embedded products to a diverse customer base serving many end-markets. TS focuses on the value-added distribution of enterprise computing servers and systems, software, storage, services and complex solutions from the world’s foremost technology manufacturers and software developers. TS also provides the latest hard disk drives, microprocessor, motherboard and DRAM module technologies to manufacturers of general-purpose computers and system builders.

In alignment with Avnet’s goal to build a global embedded solutions business, the Company transferred a portion of its embedded computing solutions operations to EM from TS. As a result of this change, sales, operating income and assets previously reported in the TS operating group in fiscal 2016 will be included within the EM operating group in fiscal 2017. The Company does not view the amount of sales, operating income, or assets of such transferred operations to be a material change to the composition of its operating groups for financial reporting purposes. Sales of approximately \$46.5 million and \$103.7 million related to such transferred operations reported in the TS operating group in the second quarter and first six months of fiscal 2016 have been reflected in the consolidated statements of operations and within EM in the tables below for comparability between fiscal years. The transfer of such operations between operating groups did not impact the determination of the Company’s operating groups or its previously reported consolidated financial results.

As discussed further in Note 3, the Company entered into a definitive agreement to sell the TS operating group during the first quarter of fiscal 2017. Although the TS operating group is classified as a discontinued operation in this Quarterly Report on Form 10-Q, the Company still owns and operates the TS operating group. As a result, the Company has not changed its reportable segments or its historical measures of segment results and profitability as of December 31, 2016. In connection with the planned sale and discontinued operation classification of the TS operating group, the Company has included the estimated corporate expenses specific to or benefiting the TS operating group as a component of discontinued operations.

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

	Second Quarters Ended		Six Months Ended	
	December 31, 2016	January 2, 2016	December 31, 2016	January 2, 2016
	(Thousands)			
Sales:				
Electronics Marketing (continuing operations)	\$ 4,273,559	\$ 4,161,082	\$ 8,391,663	\$ 8,689,667
Technology Solutions (discontinued operations)	2,453,262	2,686,975	4,375,464	5,128,084
Operating income (expense):				
Electronics Marketing (continuing operations)	\$ 190,679	\$ 176,266	\$ 375,730	\$ 389,297
Technology Solutions (discontinued operations)	103,231	115,102	147,382	189,640
Corporate - continuing operations	(26,220)	(23,794)	(49,820)	(55,852)
Corporate - discontinued operations	(14,379)	(12,316)	(26,879)	(27,416)
Held for sale depreciation elimination - discontinued operations	6,819	—	6,819	—
	260,130	255,258	453,232	495,669
Restructuring, integration and other expenses - continuing operations	(30,400)	(14,083)	(59,869)	(26,601)
Restructuring, integration and other expenses - discontinued operations	(3,316)	(7,139)	(7,540)	(20,579)
Amortization of acquired intangible assets and other - continuing operations	(9,829)	(2,272)	(12,207)	(5,120)
Amortization of acquired intangible assets and other - discontinued operations	—	(5,649)	(4,493)	(10,292)
Less: TS discontinued operations	(92,355)	(89,998)	(115,379)	(130,369)
Operating Income	\$ 124,230	\$ 136,117	253,744	302,708
Sales, by geographic area:				
Americas ⁽¹⁾	\$ 2,675,995	\$ 2,750,560	\$ 5,025,339	\$ 5,524,503
EMEA ⁽²⁾	2,134,740	1,935,449	3,980,290	3,950,668
Asia/Pacific ⁽³⁾	1,916,086	2,162,048	3,761,498	4,342,580
Less: TS discontinued operations	\$ (2,453,262)	\$ (2,686,975)	\$ (4,375,464)	\$ (5,128,084)
Sales	\$ 4,273,559	\$ 4,161,082	\$ 8,391,663	\$ 8,689,667

⁽¹⁾ Includes sales from the United States of \$2.42 billion and \$2.48 billion for the second quarters ended December 31, 2016, and January 2, 2016, respectively. Includes sales from the United States of \$4.55 billion and \$4.99 billion for the first six months of fiscal 2017 and 2016, respectively.

⁽²⁾ Includes sales from Germany and the United Kingdom of \$845.7 million and \$389.8 million, respectively, for the second quarter ended December 31, 2016, and \$1.61 billion and \$644.6 million, respectively, for the first six months of fiscal 2017. Includes sales from Germany and the United Kingdom of \$760.6 million and \$340.5 million, respectively, for the second quarter ended January 2, 2016, and \$1.56 billion and \$681.1 million, respectively, for the first six months of fiscal 2016.

⁽³⁾ Includes sales from China (including Hong Kong) and Taiwan of \$638.6 million and \$597.1 million, respectively, for the second quarter ended December 31, 2016, and \$1.31 billion and \$1.19 billion, respectively, for the first six months of fiscal 2017. Includes sales from China (including Hong Kong) and Taiwan of \$703.9 million and \$864.0 million, respectively, for the second quarter ended January 2, 2016, and \$1.42 billion and \$1.69 billion, respectively, for the first six months of fiscal 2016.

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

	December 31, 2016	July 2, 2016
	(Thousands)	
Assets:		
Electronics Marketing	\$ 8,334,410	\$ 7,170,499
Technology Solutions	4,053,487	3,460,538
Corporate	868,098	608,768
Assets	\$ 13,255,995	\$ 11,239,805
Property, plant, and equipment, net, by geographic area:		
Americas ⁽¹⁾	\$ 464,390	\$ 404,992
EMEA ⁽²⁾	215,974	178,123
Asia/Pacific	37,183	29,543
Less: TS discontinued operations	(152,439)	(159,449)
Property, plant, and equipment, net,	\$ 565,108	\$ 453,209

⁽¹⁾ Includes property, plant and equipment, net, of \$448.1 million and \$395.0 million as of December 31, 2016, and July 2, 2016, respectively, in the United States.

⁽²⁾ Includes property, plant and equipment, net, of \$78.3 million and \$63.5 million in Germany and Belgium, respectively, as of December 31, 2016, and \$76.4 million and \$69.8 million in Germany and Belgium, respectively, as of July 2, 2016.

14. Restructuring expenses

Fiscal 2017

During fiscal 2017, the Company took certain restructuring actions in an effort to reduce future operating expenses. Restructuring expenses are included as a component of restructuring, integration and other expenses in the consolidated statements of operations. The activity related to the restructuring liabilities from continuing and discontinued operations established during fiscal 2017 is presented in the following table:

	Severance	Facility Exit Costs	Other	Total
	(Thousands)			
Fiscal 2017 restructuring expenses	\$ 17,940	\$ 1,643	\$ 1,567	\$ 21,150
Cash payments	(8,557)	(332)	(1,529)	(10,418)
Non-cash amounts	—	—	—	—
Other, principally foreign currency translation	(77)	(3)	—	(80)
Balance at December 31, 2016	\$ 9,306	\$ 1,308	\$ 38	\$ 10,652

Severance expense recorded in the second quarter of fiscal 2017 related to the reduction, or planned reduction, of over 200 employees, primarily in operations, sales and business support functions. Facility exit costs primarily consist of liabilities for remaining lease obligations for exited facilities. Asset impairments relate to the impairment (if any) of property, plant and equipment as a result of the underlying restructuring activities. Other restructuring costs (if any) related primarily to other miscellaneous restructuring and exit costs. Of the \$21.2 million in restructuring expenses recorded during the first six months of fiscal 2017, \$9.9 million related to EM, \$6.1 million related to TS (discontinued

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

operations) and \$5.2 million related to corporate. The Company expects the majority of the remaining severance and facility exit costs to be paid by the end of fiscal 2017.

Fiscal 2016

During fiscal 2016, the Company incurred restructuring expenses related to various restructuring actions intended to achieve planned synergies from acquired businesses and to reduce future operating expenses. The following table presents the activity during the first six months of fiscal 2017 related to the remaining restructuring liabilities from continuing and discontinued operations established during fiscal 2016:

	Severance	Facility Exit Costs	Other	Total
	(Thousands)			
Balance at July 2, 2016	\$ 14,221	\$ 4,093	\$ 223	\$ 18,537
Cash payments	(6,815)	(809)	(52)	(7,676)
Changes in estimates, net	(1,319)	(124)	61	(1,382)
Non-cash amounts	—	—	(60)	(60)
Other, principally foreign currency translation	(185)	(83)	(60)	(328)
Balance at December 31, 2016	<u>\$ 5,902</u>	<u>\$ 3,077</u>	<u>\$ 112</u>	<u>\$ 9,091</u>

As of December 31, 2016, the Company expects the majority of the remaining severance and facility exit cost liabilities to be paid by the end of fiscal 2017.

Fiscal 2015 and prior

As of July 2, 2016, there were \$7.5 million of restructuring liabilities remaining related to restructuring actions from continuing and discontinued operations taken in fiscal years 2015 and prior, the majority of which relates to facility exit costs. The remaining balance for such historical restructuring actions as of December 31, 2016, was \$5.3 million, which is expected to be paid by the end of fiscal 2017.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

For a description of the Company's critical accounting policies and an understanding of the significant factors that influenced the Company's performance during the quarter ended December 31, 2016, this *Management's Discussion and Analysis of Financial Condition and Results of Operations* ("MD&A") should be read in conjunction with the consolidated financial statements, including the related notes, appearing in Item 1 of this Report, as well as the Company's Annual Report on Form 10-K for the fiscal year ended July 2, 2016. The Company operates on a "52/53 week" fiscal year and fiscal 2017 contains 52 weeks compared to 53 weeks in fiscal 2016. As a result, the first six months of fiscal 2017 contained 26 weeks and the first six months of fiscal 2016 contained 27 weeks. This extra week impacts the year-over-year analysis for the first six months of fiscal 2017 in this MD&A.

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

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

- Sales, income or expense items excluding the translation impact of changes in foreign currency exchange rates for subsidiaries reporting in currencies other than the U.S. Dollar by adjusting the average exchange rates used in the current period to be consistent with the average exchange rates in effect during the comparative period, as discussed above.
- Sales adjusted for certain items that impact the year-over-year analysis, which includes the impact of certain acquisitions by adjusting Avnet's prior periods to include the sales of acquired businesses, as if the acquisitions had occurred at the beginning of the earliest period presented. In addition, fiscal 2016 sales are adjusted for the estimated impact of the extra week of sales in the first six months of fiscal 2016 as discussed above. Sales taking into account these adjustments are referred to as "organic sales."
- Operating income excluding (i) restructuring, integration and other expenses (see *Restructuring, Integration and Other Expenses* in this MD&A), and (ii) amortization of acquired intangible assets and other. Operating income excluding such amounts is referred to as "adjusted operating income from continuing operations." Adjusted operating income from continuing operations excludes the TS operating group, which is reported as a discontinued operation in fiscal 2017.

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

	Second Quarters Ended		Six Months Ended	
	December 31, 2016	January 2, 2016	December 31, 2016	January 2, 2016
	(Thousands)			
Operating income	\$ 124,230	\$ 136,117	\$ 253,744	\$ 302,708
Restructuring, integration and other expenses	30,400	14,083	59,869	26,601
Amortization of acquired intangible assets and other	9,829	2,272	12,207	5,120
Adjusted operating income from continuing operations	<u>\$ 164,459</u>	<u>\$ 152,472</u>	<u>\$ 325,820</u>	<u>\$ 334,429</u>

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

OVERVIEW

Organization

Avnet, Inc., incorporated in New York in 1955, together with its consolidated subsidiaries (the “Company” or “Avnet”), is a global value-added distributor of electronic components, enterprise computer, networking and storage products and software, IT solutions and services and embedded subsystems. Avnet creates a vital link in the technology supply chain that connects the world’s leading electronic component and computer product manufacturers and software developers with a global customer base of original equipment manufacturers, electronic manufacturing services providers, original design manufacturers, systems integrators, independent software vendors and value-added resellers. Avnet distributes electronic components, computer products and software, as received from its suppliers or through a customized solution, and offers assembly and other value-added services.

Avnet’s two operating groups - EM and TS - have operations in each of the three major economic regions of the world: the Americas; EMEA; and Asia/Pacific, consisting of Asia, Australia and New Zealand (“Asia”). A summary of each operating group is provided in Note 13, “Segment information” to the Company’s consolidated financial statements included in this Quarterly Report on Form 10-Q.

In September 2016, the Company entered into a definitive agreement to sell the TS operating group as discussed further in Note 3, “Discontinued operations” to the Company’s consolidated financial statements included in this Quarterly Report on Form 10-Q. The Company expects to complete the sale of TS during the second half of fiscal 2017.

On October 17, 2016, the Company completed its acquisition of Premier Farnell Plc (“PF”), a global distributor of electronic components and related products delivering engineering solutions to the electronic system design community utilizing multi-channel sales and marketing resources. Management believes that the combined business of EM and PF will create a unique electronic components distribution value proposition, which will expand Avnet’s digital footprint worldwide and allow the Company to reach engineers and makers earlier in the design cycle.

Results of Operations

The below discussion of results of operations, unless otherwise noted, is focused on Avnet’s results from continuing operations, which is primarily comprised of the EM operating group including the acquisition of Premier Farnell (“PF”). The TS operating group and its results of operations, including all operations being sold, are classified as discontinued operations.

Executive Summary

Sales for the second quarter of fiscal 2017 were \$4.27 billion, as compared to the second quarter of fiscal 2016 sales of \$4.16 billion. Organic sales decreased 3.6% year over year and 2.9% in constant currency.

Gross profit margin of 13.7% increased 158 basis points compared to the second quarter of fiscal 2016.

Operating income margin was 2.9% in the second quarter of fiscal 2017 as compared with 3.3% in the second quarter of fiscal 2016. Adjusted operating income margin from continuing operations was 3.8% in the second quarter of fiscal 2017 as compared to 3.7% in the second quarter of fiscal 2016.

Sales

The following tables present the reconciliation of reported sales to organic sales for the second quarters and first six months of fiscal 2017 and fiscal 2016. Sales of Avnet or the EM operating group are sales from continuing operations. Sales for the TS operating group are classified within discontinued operations in the consolidated statements of operations.

	Second Quarter Ended			Six Months Ended		
	As Reported Fiscal 2017	Acquisitions ^(b)	Organic Sales Fiscal 2017	As Reported Fiscal 2017	Acquisitions ^(b)	Organic Sales Fiscal 2017
(Dollars in thousands)						
EM	\$ 4,273,559	\$ 49,639	\$ 4,323,198	\$ 8,391,358	\$ 378,352	\$ 8,769,710
EM by region						
Americas	\$ 1,252,605	\$ 18,282	\$ 1,270,887	\$ 2,502,809	\$ 154,426	\$ 2,657,235
EMEA	1,380,694	26,558	1,407,252	2,645,988	178,879	2,824,867
Asia	1,640,260	4,799	1,645,059	3,242,561	45,047	3,287,608

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

	Second Quarter Ended			Six Months Ended		
	As Reported Fiscal 2016	Acquisitions ⁽¹⁾	Organic Sales Fiscal 2016	As Reported Fiscal 2016	Acquisitions ⁽¹⁾ & Estimated Extra Week of Sales	Organic Sales Fiscal 2016
(Dollars in thousands)						
EM	\$ 4,161,082	\$ 323,107	\$ 4,484,189	\$ 8,689,677	\$ 362,639	\$ 9,052,316
EM by region						
Americas	\$ 1,165,773	\$ 132,644	\$ 1,298,417	\$ 2,469,058	\$ 200,324	\$ 2,669,382
EMEA	1,141,076	156,951	1,298,027	2,479,218	221,898	2,701,116
Asia	1,854,233	33,512	1,887,745	3,741,401	(59,583)	3,681,818

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

Sales for the second quarter of fiscal 2017 were \$4.27 billion, as compared to the second quarter of fiscal 2016 sales of \$4.16 billion. The increase in sales was primarily due to the acquisition of PF partially offset by declines in the Asia region as discussed below. Organic sales decreased 3.6% year over year and 2.9% in constant currency.

On a regional basis, organic sales decreased 2.1% in the Americas region. Organic sales constant currency increased 11.6% in EMEA. Organic sales in constant currency decreased 13.5% in Asia primarily as a result of deselecting lower margin sales from high-volume supply chain engagements year over year.

Sales for the first six months of fiscal 2017 were \$8.39 billion, a decrease of 3.4% as compared to sales of \$8.69 billion for the first six months of fiscal 2016. The decrease in sales was primarily related to deselecting lower margin sale from high-value supply chain engagements in Asia, partially offset by an increase from the acquisition of PF.

Gross Profit and Gross Profit Margins

Gross profit for the second quarter of fiscal 2017 was \$586.2 million, an increase of \$81.1 million, or 16.1%, from the second quarter of fiscal 2016 gross profit of \$505.1 million. Gross profit margin of 13.7% increased 158 basis points from the second quarter of fiscal 2016. The increase in gross profit margin was primarily due to the acquisition of PF and from the impact of deselecting lower margin high volume supply chain engagements in Asia.

Gross profit and gross profit margins were \$1.11 billion and 13.2%, respectively, for the first six months of fiscal 2017 as compared with \$1.06 billion and 12.2%, respectively, for the first six months of fiscal 2016. The increase in gross profit margin was primarily due to the acquisition of PF and from the impact of deselecting lower margin high volume supply chain engagements in Asia.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (“SG&A expenses”) were \$431.6 million in the second quarter of fiscal 2017, an increase of \$76.7 million, or 21.6%, from the second quarter of fiscal 2016. The year-over-year increase in SG&A expenses was primarily due to the acquisition of PF and the related PF operating expenses, including \$7.9 million of expense for the amortization of intangible assets.

Metrics that management monitors with respect to its operating expenses are SG&A expenses as a percentage of sales and as a percentage of gross profit. In the second quarter of fiscal 2017, SG&A expenses as a percentage of sales were 10.1% and as a percentage of gross profit were 73.6%, as compared with 8.5% and 70.3%, respectively, in the second quarter of fiscal 2016.

SG&A expenses for the first six months of fiscal 2017 were \$795.2 million, or 9.5% of sales, as compared with \$731.9 million, or 8.4% of sales, in the first six months of fiscal 2016. SG&A expenses were 71.7% of gross profit in the first six months of 2017 as compared with 69.0% in the first six months of fiscal 2016. The year-over-year increase in SG&A expenses was primarily due to the acquisition of PF and the related PF operating expenses, including \$7.9 million of expense for the amortization of intangible assets.

Restructuring, Integration and Other Expenses

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

The Company recorded restructuring, integration and other expenses from continuing operations of \$30.4 million during the second quarter of fiscal 2017. The Company recorded \$3.3 million of restructuring costs from continuing operations and expects to realize approximately \$5.4 million in incremental annualized operating cost savings once such restructuring actions are completed. The Company also incurred integration costs of \$9.1 million, acquisition/divestiture costs of \$18.9 million, and a net reversal of \$0.8 million for changes in estimates for costs associated with prior year restructuring actions. The after tax impact of restructuring, integration, and other expenses from continuing operations was \$23.0 million and \$0.18 per share on a diluted basis for the second quarter of fiscal 2017.

During the first six months of fiscal 2017, the Company incurred restructuring, integration and other expenses from continuing operations of \$59.9 million, including restructuring costs of \$15.1 million, integration costs of \$11.5 million, acquisition/divestiture and other costs of \$28.0 million and a net reversal for changes in estimates for costs associated with previous restructuring actions of \$1.2 million. The after tax impact of restructuring, integration and other expenses for the first six months of fiscal 2017 was \$43.2 million and \$0.34 per share on a diluted basis.

Comparatively, in the second quarter of fiscal 2016, restructuring, integration and other expenses from continuing operations was \$14.1 million. The after tax impact of restructuring, integration, and other expenses from continuing operations was \$9.5 million and \$0.07 per share on a diluted basis.

In the first six months of fiscal 2016, restructuring, integration and other expenses from continuing operations was \$26.6 million. The after tax impact of restructuring, integration and other expenses for the first six months of fiscal 2016 was \$17.6 million and \$0.13 per share on a diluted basis.

Operating Income

Operating income for the second quarter of fiscal 2017 was \$124.2 million, a decrease of \$11.9 million, or 8.7%, from the second quarter of fiscal 2016 operating income of \$136.1 million. Adjusted operating income from continuing operations for the second quarter of fiscal 2017 was \$164.5 million, an increase of \$12.0 million, or 7.9%, from the second quarter of fiscal 2016 adjusted operating income from continuing operations of \$152.5 million. Operating income margin was 2.9% in the second quarter of fiscal 2017 as compared with 3.3% in the second quarter of fiscal 2016. Adjusted operating income margin from continuing operations for the second quarter of fiscal 2017 was 3.8% compared to 3.7% in the second quarter of fiscal 2016.

EM operating income for the second quarter of fiscal 2017 was \$190.7 million, an increase of \$14.4 million, or 8.2%, from the second quarter of fiscal 2016 EM operating income of \$176.3 million. Operating income margin was 4.5% in the second quarter of fiscal 2017 as compared with 4.2% in the second quarter of fiscal 2016.

Operating income from continuing operations for the first six months of fiscal 2017 was \$253.7 million, or 3.0% of sales, as compared with \$302.7 million, or 3.5% of Avnet sales for the first six months of fiscal 2016. Adjusted operating income margin for the first six months of fiscal 2017 from continuing operations was flat as compared to the first six months of fiscal 2016.

Interest Expense and Other Income (Expense), Net

Interest expense in the second quarter of fiscal 2017 was \$26.7 million, an increase of \$5.8 million or 27.6%, as compared with interest expense of \$21.0 million in the second quarter of fiscal 2016. Interest expense in the first six months of fiscal 2017 was \$54.0 million, an increase of \$11.0 million or 25.6%, as compared with interest expense of \$43.0 million in the first six months of fiscal 2016. The increase in interest expense in the second quarter of fiscal 2017 compared to the second quarter of fiscal 2016 was primarily related to the impact of the interest expense associated with the new debt including debt incurred to finance the acquisition of PF.

During the second quarter of fiscal 2017, the Company had \$36.5 million of other expense as compared with \$2.1 million of other expense in the second quarter of fiscal 2016. During the first six months of fiscal 2017, the Company recognized \$50.2 million of other expenses as compared with \$1.2 million of other expenses in the first six months of fiscal 2016. The increase in other expense in the second quarter and first six months of fiscal 2017 is primarily attributable to the bridge financing and foreign currency hedging costs associated with the PF acquisition.

Income Tax Expense

The Company's effective tax rate on its income before income taxes from continuing operations was 46.7% in the second quarter of fiscal 2017, as compared with 9.7% in the second quarter of fiscal 2016. During the second quarter of fiscal 2017, the Company's effective tax rate was unfavorably impacted primarily by (i) net increases to valuation allowances against deferred tax assets created primarily from acquisition related expenses that were deemed unrealizable and (ii) the impact of non-deductible acquisition related expenses, partially offset by (iii) the mix of income in lower tax jurisdictions. During the second quarter of fiscal 2016, the Company's effective tax rate was favorably impacted primarily by (i) the mix of income in lower tax jurisdictions, (ii) the release of valuation allowances against deferred tax assets that were deemed to be realizable and (iii) the release of reserves related to audit settlements and the expiration of statutes of limitation.

For the first six months of fiscal 2017 and 2016, the Company's effective tax rate was 33.0% and 18.4%, respectively. The effective tax rate for the first six months of fiscal 2017 was unfavorably impacted primarily by (i) net increases to valuation allowances against deferred tax assets that were deemed unrealizable and (ii) the impact of non-deductible acquisition related expenses, partially offset by (iii) the mix of income in lower tax jurisdictions. The effective

tax rate for the first six months of fiscal 2016 was favorably impacted primarily by (i) the mix of income in lower tax jurisdictions, (ii) the release of valuation allowances against deferred tax assets that were deemed to be realizable and (iii) the release of reserves related to audit settlements and the expiration of statutes of limitation.

See Note 8, “Income taxes” to the Company’s consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information on the Company’s effective tax rate.

Income from Discontinued Operations

Income from discontinued operations was \$70.8 million in the second quarter of fiscal 2017 compared to \$53.9 million in the second quarter of fiscal 2016. Income from discontinued operations was \$71.9 million in the first six months of fiscal 2017 compared to \$75.2 million in the first six months of fiscal 2016. See Note 3, “Discontinued operations” to the Company’s consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information and detail on the financial results of discontinued operations.

Sales from discontinued operations declined 8.7% and declined 7.1% on an organic basis in constant currency in the second quarter of fiscal 2017. The decline in organic sales was primarily the result of weaker demand in the Americas and Asian regions. Gross profit from discontinued operations declined due to lower sales, partially offset by an improvement in gross profit margins primarily as a result of differences in sales mix. Operating income from discontinued operations declined primarily due to lower sales year over year, partially offset by lower operating expenses.

Net Income

As a result of the factors described in the preceding sections of this MD&A, the Company’s net income for the second quarter of fiscal 2017 was \$103.2 million, or \$0.79 per share on a diluted basis, as compared with \$156.0 million, or \$1.16 per share on a diluted basis, in the second quarter of fiscal 2016.

As a result of the factors described in the preceding sections of this MD&A, the Company’s net income for the first six months of fiscal 2017 was \$172.1 million, or \$1.32 per share on a diluted basis, as compared with \$286.3 million, or \$2.11 per share on a diluted basis, in the first six months of fiscal 2016.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

Cash Flow from Operating Activities

During the first six months of fiscal 2017, the Company generated \$240.1 million of cash from its operating activities compared to a cash generation of \$84.2 million in the first six months of fiscal 2016. These operating cash flows are comprised of: (i) cash flow generated from net income from continuing operations, adjusted for the impact of non-cash and other items, which includes depreciation and amortization expenses, deferred income taxes, stock-based compensation expense and other non-cash items (including provisions for doubtful accounts and periodic pension costs), (ii) cash flows used for, or generated from, working capital and other, excluding cash and cash equivalents, and (iii) operating cash flows used for, or generated from, the TS operating group, which is classified as a discontinued operation. Cash generated from working capital and other was \$90.8 million during the first six months of fiscal 2017, including a decrease in inventories of \$139.7 million and an increase in accounts payable of \$133.7 million, partially offset by an increase in accounts receivable of \$127.2 million and a decrease in accrued expenses and other of \$55.4 million. Comparatively, cash used for working capital and other was \$234.5 million during the first six months of fiscal 2016, including increases in inventories of \$189.6 million and decreases in accounts payable of \$240.5 million and accrued expenses and other of \$66.3 million, partially offset by decreases in accounts receivable of \$261.9 million.

Cash used for operating activities of discontinued operations was \$63.1 million in the first six months of fiscal 2017 compared to cash generated of \$13.7 million in the first six months of fiscal 2016.

Cash Flow from Financing Activities

During the first six months of fiscal 2017, the Company received net proceeds of \$296.4 million as a result of the issuance of \$300.0 million of 3.75% Notes due December 2021. Additionally, the Company received net proceeds of \$530.8 million and \$752.2 million from borrowings under the Term Loan and from other debt arrangements, respectively. During the first six months of fiscal 2017, the Company repaid \$378.6 million of notes and acquired debt and made net repayments of \$265.0 million under the Company's accounts receivable securitization program. During the first six months of fiscal 2017, the Company paid dividends on common stock of \$43.4 million.

During the first six months of fiscal 2016, the Company repaid upon maturity the \$250 million of 6.00% Notes due September 2015. Additionally, the Company made net repayments of \$40.0 million under the Company's accounts receivable securitization program and received net proceeds of \$418.0 million from borrowings of bank and other debt. During the first six months of fiscal 2016, the Company paid dividends on common stock of \$45.0 million and repurchased \$184.7 million of common stock.

Cash Flow from Investing Activities

During the first six months of fiscal 2017, the Company used \$70.4 million for capital expenditures primarily related to information system development costs, computer hardware and software purchases and facilities costs compared to \$74.4 million for capital expenditures in the first six months of fiscal 2016. During the first six months of fiscal 2017 the Company used \$798.4 million of cash for acquisitions, which is net of the cash acquired.

Contractual Obligations

For a detailed description of the Company's long-term debt and lease commitments for the next five years and thereafter, see *Long-Term Contractual Obligations* appearing in Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended July 2, 2016. With the exception of the Company's debt transactions discussed herein, there are no material changes to this information outside of normal borrowings and repayments of long-term debt and operating lease payments. The Company does not currently have any material non-cancellable commitments for capital expenditures or inventory purchases.

Financing Transactions

See Note 5, "Debt" to the Company's consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information on financing transactions including the Credit Facility, the Program, the Term Loan and the outstanding Notes as of December 31, 2016. The Company was in compliance with all covenants under the Credit Facility, the Program, and the Term Loan as of December 31, 2016.

The Company has several lines of credit and other forms of bank debt in the U.S. and various foreign locations to fund the short-term working capital, foreign exchange, overdraft and letter of credit needs of its wholly owned subsidiaries primarily in EMEA and Asia. Avnet generally guarantees its subsidiaries' obligations under such debt facilities.

Liquidity

The Company held cash and cash equivalents of \$1.27 billion as of December 31, 2016, of which \$1.18 billion was held outside the United States. As of July 2, 2016, the Company held cash and cash equivalents of \$1.03 billion, of which \$972.7 million was held outside of the United States.

As of the end of the second quarter of fiscal 2017, the Company had a combined total borrowing capacity of \$2.05 billion under the Credit Facility and the Program. There were \$927.2 million in borrowings outstanding and \$4.8 million in letters of credit issued under the Credit Facility and \$465.0 million in borrowings outstanding under the Program, resulting in approximately \$653.0 million of total availability as of December 31, 2016. Availability under the Program

is subject to the Company having sufficient eligible trade accounts receivable to support desired borrowings. During the second quarter and first six months of fiscal 2017, the Company had an average daily balance outstanding of approximately \$818.6 million and \$635.2 million, respectively, under the Credit Facility and approximately \$622.0 million and \$671.0 million, respectively, under the Program. During the second quarter and first six months of fiscal 2016, the Company had an average daily balance outstanding of approximately \$416.5 million and \$307.6 million, respectively, under the Credit Facility and approximately \$737.3 million and \$733.1 million, respectively, under the Program.

During periods of weakening demand in the electronic components and enterprise computer solutions industry, the Company typically generates cash from operating activities. Conversely, the Company is more likely to use operating cash flows for working capital requirements during periods of higher growth. The Company generated \$380.2 million in cash flows from operating activities over the trailing four fiscal quarters ended December 31, 2016.

Liquidity is subject to many factors, such as normal business operations as well as general economic, financial, competitive, legislative, and regulatory factors that are beyond the Company's control. Cash balances generated and held in foreign locations are used for ongoing working capital, capital expenditure needs and to support acquisitions. These balances, which are not a component of assets held for sale, are currently expected to be permanently reinvested outside the United States. If these funds were needed for general corporate use in the United States, the Company would incur significant income taxes to repatriate cash held in foreign locations. In addition, local government regulations may restrict the Company's ability to move funds among various locations under certain circumstances. Management does not believe such restrictions would limit the Company's ability to pursue its intended business strategy. Management believes that Avnet's available borrowing capacity, its current cash on hand and the Company's expected ability to generate operating cash flows in the future will be sufficient to meet its future liquidity needs. The Company also may issue debt or equity securities in the future and management believes the Company will have adequate access to the capital markets, if needed.

During January 2017, subsequent to the end of the second quarter of fiscal 2017, the Company repaid \$152.2 million of par value PF assumed debt. The Company has made, and expects to continue to make, strategic investments through acquisition activity to the extent the investments strengthen Avnet's competitive position and meet management's return on capital thresholds.

In connection with the planned sale of the TS operating group, the Company expects to have additional liquidity as a result of the after tax proceeds from the sale that can be used to repay outstanding borrowings, return cash to shareholders, make strategic acquisitions or use for general Company operations. In connection with the closing of the TS sale, the Company expects to amend or enter into a new accounts receivable securitization program that has a lower borrowing base as a result of the Company having a lower level of trade receivables post close.

In addition to continuing to make investments in acquisitions, as of December 31, 2016, the Company may repurchase up to an aggregate of \$174.9 million of shares of the Company's common stock through a \$1.25 billion share repurchase program approved by the Board of Directors. The Company may repurchase stock from time to time at the discretion of management, subject to strategic considerations, market conditions and other factors. The Company may terminate or limit the share repurchase program at any time without prior notice. The timing and actual number of shares repurchased will depend on a variety of factors such as share price, corporate and regulatory requirements, and prevailing market conditions. Since the beginning of the repurchase program through the end of the second quarter of fiscal 2017, the Company has repurchased 31.4 million shares of stock at an aggregate cost of \$1.08 billion. Shares repurchased were retired. Additionally, the Company currently expects to pay quarterly cash dividends on shares of its common stock, subject to approval of the Board of Directors. During the second quarter of fiscal 2017, the Board of Directors approved a dividend of \$0.17 per share, which resulted in \$21.8 million of dividend payments during the quarter.

Recently Issued Accounting Pronouncements

See Note 1, “Basis of presentation and new accounting pronouncements” to the Company’s consolidated financial statements included in this Quarterly Report on Form 10-Q for a description of recently issued accounting pronouncements.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

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

See Item 7A, *Quantitative and Qualitative Disclosures About Market Risk*, in the Company’s Annual Report on Form 10-K for the fiscal year ended July 2, 2016, for further discussion of market risks associated with foreign currency exchange rates and interest rates. Avnet’s exposure to such risks has not changed materially since July 2, 2016, as the Company continues to economically hedge the majority of its foreign currency exchange exposures. Thus, any increase or decrease in fair value of the Company’s forward foreign currency exchange contracts is generally offset by an opposite effect on the related hedged position. For interest rate risk, the Company continues to maintain a combination of fixed and variable rate debts to mitigate the exposure to fluctuation in market interest rates.

See Liquidity and Capital Resources — Financing Transactions appearing in Item 2 of this Form 10-Q for further discussion of the Company’s financing transactions and capital structure. As of December 31, 2016, 55% of the Company’s debt bears interest at a fixed rate and 45% of the Company’s debt bears interest at variable rates. Therefore, a hypothetical 1.0% (100 basis points) increase in interest rates would result in a \$4.1 million decrease in income from continuing operations before income taxes in the Company’s consolidated statement of operations for the second quarter of fiscal 2017.

Item 4. *Controls and Procedures*

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

During the second quarter of fiscal 2017, there were no changes to the Company’s internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. *Legal Proceedings*

As a result primarily of certain former manufacturing operations, Avnet has incurred and may have future liability under various federal, state and local environmental laws and regulations, including those governing pollution and exposure to, and the handling, storage and disposal of, hazardous substances. For example, under the Comprehensive

Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), and similar state laws, Avnet is and may be liable for the costs of cleaning up environmental contamination on or from certain of its current or former properties, and at off-site locations where the Company disposed of wastes in the past. Such laws may impose joint and several liability. Typically, however, the costs for clean up at such sites are allocated among potentially responsible parties based upon each party’s relative contribution to the contamination, and other factors.

Pursuant to SEC regulations, including but not limited to Item 103 of Regulation S-K, the Company regularly assesses the status of and developments in pending environmental and other compliance related legal proceedings to determine whether any such proceedings should be identified specifically in this discussion of legal proceedings, and has concluded that no particular pending legal proceeding requires public disclosure. Based on the information known to date, management believes that the Company has appropriately accrued in its consolidated financial statements for its share of the estimable costs of environmental and other compliance related matters.

The Company is also party to various other lawsuits, claims, investigations and other legal proceedings arising from time to time in the normal course of business. While litigation is subject to inherent uncertainties, management currently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not have a material adverse effect on the Company’s financial position, liquidity or results of operations.

Item 1A. Risk Factors

The Company’s operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A, “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended July 2, 2016, which could adversely affect the Company’s business, financial condition, results of operations, cash flows, and the trading price of its common stock as well as the following risks.

The Company’s proposed separation of its Technology Solutions operating group and subsequent sale to Tech Data Corporation may not be consummated as or when planned or at all, and may not achieve the intended benefits.

The proposed separation of the Company’s TS operating group and subsequent sale to Tech Data Corporation may not be consummated as currently contemplated or at all, or may encounter unanticipated delays or other roadblocks, including delays in obtaining necessary regulatory approvals. The proposed sale of TS is subject to numerous closing conditions. In addition, planning and executing the proposed separation and subsequent sale of TS will require significant time, effort and expense, and may divert the attention of the Company’s management and employees from other aspects of its business operations, and any delays in the completion of the separation and subsequent sale may increase the amount of time, effort and expense that the Company devotes to the transaction, which could adversely affect its business, financial condition and results of operations.

Due to the effect of discontinued operations for the TS operating group, the Company’s historical consolidated financial statements are not comparable to the quarterly consolidated financial statements included in this report and will not be comparable to its future consolidated financial results.

The quarterly consolidated results of operations of the Company included in this report reflect as discontinued operations the results of operations of the Company’s TS operating group. The consolidated balance sheets contained in this report include assets of continuing operations as well as the assets of the TS operating group, which are classified as “assets held for sale,” and the Company’s consolidated statements of cash flows include the cash flows of both the continuing and discontinued operations of the Company for the periods presented. The Company’s historical annual consolidated financial statements currently do not reflect reporting of discontinued operations for the TS operating group. Accordingly, they are not comparable to the quarterly consolidated financial statements included in this report or any future consolidated financial results of the Company.

Any forward-looking statement speaks only as of the date on which that statement is made. Except as required by law, the Company assumes no obligation to update any forward-looking statement to reflect events or circumstances that occur after the date on which the statement is made.

The discussion of Avnet's business and operations should be read together with the risk factors contained in Item 1A of its Annual Report on Form 10-K for the fiscal year ended July 2, 2016, which describe various risks and uncertainties to which the Company is or may become subject. These risks and uncertainties have the potential to affect Avnet's business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner. As of December 31, 2016, there have been no material changes to the risk factors set forth in the Company's Annual Report on Form 10-K for the fiscal year ended July 2, 2016 outside of those additional risk factors listed above.

In addition, this Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act with respect to the financial condition, results of operations and business of the Company. You can find many of these statements by looking for words like "believes," "plans," "expects," "anticipates," "should," "will," "may," "estimates" or similar expressions in this Quarterly Report or in documents incorporated by reference in this Quarterly Report. These forward-looking statements are subject to numerous assumptions, risks and uncertainties. You should understand that the following important factors, in addition to those discussed elsewhere in this Quarterly Report and in the Company's Annual Report, could affect the Company's future results of operations, and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements:

- the effect of global economic conditions, including the current global economic uncertainty;
- competitive pressures among distributors of electronic components and computer products;
- an industry down-cycle in semiconductors, IT hardware or software products;
- relationships with key suppliers and allocations of products by suppliers;
- risks relating to the Company's international sales and operations, including risks relating to the ability to repatriate cash, foreign currency fluctuations, duties and taxes, and compliance with international and U.S. laws;
- risks relating to acquisitions, divestitures and investments;
- adverse effects on the Company's supply chain, shipping costs, third-party service providers, customers and suppliers, including as a result of issues caused by natural and weather-related disasters;
- risks related to cyber attacks and the Company's information systems;
- risks relating to attracting, retaining, training, motivating and developing key employees;
- general economic and business conditions (domestic and foreign) affecting Avnet's financial performance and, indirectly, Avnet's credit ratings, debt covenant compliance, and liquidity and access to financing; and
- legislative or regulatory changes affecting Avnet's businesses.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

The Company's Board of Directors has approved the repurchase of up to \$1.25 billion of the Company's common stock under the Company's share repurchase program. During the second quarter of fiscal 2017, the Company did not repurchase any shares under the share repurchase program, which is part of a publicly announced plan.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased under the Plans or Programs
October	—	\$ —	—	\$ 174,932,000
November	—	\$ —	—	\$ 174,932,000
December	—	\$ —	—	\$ 174,932,000

Item 6. Exhibits

Exhibit Number	Exhibit
4.1	Form of Officers' Certificate setting forth the terms of the 3.750% Notes due 2021 (incorporated herein by reference to the Company's Current Report on Form 8-K dated December 1, 2016, Exhibit 4.1)
10.1*	Amendment No. 10, dated as of December 30, 2016, to Receivables Sale Agreement.
10.2*	Amendment No. 10 dated as of December 30, 2016, to the Second Amended and Restated Receivables Purchase Agreement.
10.3	Amendment No. 2 and Waiver to Senior Unsecured Bridge Credit Agreement, dated as of October 24, 2016, between Avnet, Inc., the lenders party thereto and Bank of America (incorporated herein by reference to the Company's Current Report on Form 8-K dated October 24, 2016, Exhibit 10.1).
10.4	Avnet, Inc. 2016 Stock Compensation and Incentive Plan (incorporated herein by reference to the Company's Current Report on Form 8-K dated November 10, 2016, Exhibit 10.1)
31.1*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.

** Furnished herewith. The information in these exhibits shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to liability under that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

SIGNATURE

Pursuant to the requirements 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.

AVNET, INC.
(Registrant)

By: /s/ KEVIN MORIARTY
Kevin Moriarty
Senior Vice President and Chief Financial Officer

Date: January 27, 2017

**AMENDMENT NO. 10 TO
RECEIVABLES SALE AGREEMENT**

This Amendment No. 10 to Receivables Sale Agreement (this “Amendment”) is dated as of December 30, 2016, between Avnet, Inc., a New York corporation (“Originator”), and Avnet Receivables Corporation, a Delaware corporation (“Buyer”).

RECITALS

Originator and Buyer entered into that certain Receivables Sale Agreement, dated as of June 28, 2001, and amended such Receivables Sale Agreement pursuant to Amendment No. 1 thereto, dated as of February 6, 2002, and further amended such Receivables Sale Agreement pursuant to Amendment No. 2 thereto, dated as of June 26, 2002, and further amended such Receivables Sale Agreement pursuant to Amendment No. 3 thereto, dated as of November 25, 2002, and further amended such Receivables Sale Agreement pursuant to Amendment No. 4 thereto, dated as of December 12, 2002, and further amended such Receivables Sale Agreement pursuant to Amendment No. 5 thereto, dated as of August 15, 2003, and further amended such Receivables Sale Agreement pursuant to Amendment No. 6 thereto, dated as of August 3, 2005, and further amended such Receivables Sale Agreement pursuant to Amendment No. 7 thereto, dated as of August 29, 2007, and further amended such Receivables Sale Agreement pursuant to Amendment No. 8 thereto, dated as of August 26, 2010, and further amended such Receivables Sale Agreement pursuant to Amendment No. 9 thereto, dated as of May 22, 2015 (the “Original Agreement,” and as further amended, modified or supplemented from time to time, the “Sale Agreement”).

Each of the parties hereto now desires to amend the Original Agreement, subject to the terms and conditions hereof, as more particularly described herein.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Definitions Used Herein. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth for such terms in, or incorporated by reference into, the Original Agreement.

Section 2. Amendment. Subject to the terms and conditions set forth herein, the Original Agreement is hereby amended by deleting the stricken text (indicated in the same manner as the following example: ~~stricken-text~~) and adding the inserted text (indicated in

the same manner as the following example: inserted text) as set forth on the pages of the conformed copy of the Sale Agreement attached as Annex A hereto.

Section 3. Conditions to Effectiveness of Amendment. This Amendment shall become effective as of the date hereof, upon the satisfaction of the conditions precedent that:

(a) Amendment. The Buyer and the Agent shall have received, on or before the date hereof, executed counterparts of this Amendment, duly executed by each of the parties hereto.

(b) Representations and Warranties. As of the date hereof, both before and after giving effect to this Amendment, all of the representations and warranties contained in the Sale Agreement and in each other Transaction Document shall be true and correct in all material respects as though made on the date hereof (and by its execution hereof, each of Buyer and Originator shall be deemed to have represented and warranted such).

(c) No Termination Event or Potential Termination Event. As of the date hereof, both before and after giving effect to this Amendment, no Termination Event or Potential Termination Event shall have occurred and be continuing (and by its execution hereof, each of Buyer and Originator shall be deemed to have represented and warranted such).

Section 4. Miscellaneous.

(a) Effect; Ratification. The amendment set forth herein is effective solely for the purposes set forth herein and shall be limited precisely as written, and shall not be deemed (i) to be a consent to, or an acknowledgment of, any amendment, waiver or modification of any other term or condition of the Sale Agreement or of any other instrument or agreement referred to therein or (ii) to prejudice any right or remedy which Buyer (or any of its assigns) may now have or may have in the future under or in connection with the Sale Agreement, as amended hereby, or any other instrument or agreement referred to therein. Each reference in the Sale Agreement to “this Agreement,” “herein,” “hereof” and words of like import and each reference in the other Transaction Documents to the Original Agreement, to the “Receivables Sale Agreement” or to the “Sale Agreement” shall mean the Original Agreement as amended hereby. This Amendment shall be construed in connection with and as part of the Sale Agreement and all terms, conditions, representations, warranties, covenants and agreements set forth in the Sale Agreement and each other instrument or agreement referred to therein, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

(b) Transaction Documents. This Amendment is a Transaction Document executed pursuant to the Original Agreement and shall be construed, administered and applied in accordance with the terms and provisions thereof.

(c) Costs, Fees and Expenses. Without limiting Section 6.2 of the Sale Agreement, Originator agrees to reimburse Buyer and its assigns upon demand for all

reasonable and documented out-of-pocket costs, fees and expenses in connection with the preparation, execution and delivery of this Amendment (including the reasonable fees and expenses of counsels to Buyer and its assigns).

(d) Counterparts. This Amendment may be executed in any number of counterparts, each such counterpart constituting an original and all of which when taken together shall constitute one and the same instrument.

(e) Severability. Any provision contained in this Amendment which is held to be inoperative, unenforceable or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable or invalid without affecting the remaining provisions of this Amendment in that jurisdiction or the operation, enforceability or validity of such provision in any other jurisdiction.

(f) GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

(g) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AMENDMENT, ANY DOCUMENT EXECUTED BY ORIGINATOR PURSUANT TO THIS AMENDMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their respective duly authorized officers as of the date first written above.

AVNET RECEIVABLES CORPORATION,
as Buyer

By: /s/ Kevin Moriarty

Name: Kevin Moriarty

Title: President

AVNET, INC.,
as Originator

By: /s/ Kevin Moriarty

Name: Kevin Moriarty

Title: Senior Vice President, Chief Financial Officer
and Assistant Secretary

RECEIVABLES SALE AGREEMENT

DATED AS OF June 28, 2001,
and amended by Amendment No. 1 hereto, dated as of February 6, 2002,
and further amended by Amendment No. 2 hereto, dated as of June 26, 2002,
and further amended by Amendment No. 3 hereto, dated as of November 25, 2002,
and further amended by Amendment No. 4 hereto, dated as of December 12, 2002,
and further amended by Amendment No. 5 hereto, dated as of August 15, 2003,
and further amended by Amendment No. 6 hereto, dated as of August 3, 2005,
and further amended by Amendment No. 7 hereto, dated as of August 29, 2007,
and further amended by Amendment No. 8 hereto, dated as of August 6, 2010,
and further amended by Amendment No. 9 hereto, dated as of May 22, 2015, and further
amended by Amendment No. 10 hereto, dated as of December 30, 2016

BETWEEN

AVNET, INC.,
as Originator

AND

AVNET RECEIVABLES CORPORATION,
as Buyer

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I AMOUNTS AND TERMS OF THE PURCHASE	
1.1 Purchase of Receivables	2
1.2 Payment for the Purchase	3
1.3 Purchase Price Credit Adjustments	4
1.4 Payments and Computations, Etc.	5
1.5 Transfer of Records	5
1.6 Characterization	5
ARTICLE II	
REPRESENTATIONS AND WARRANTIES	
2.1 Representations and Warranties of Originator	6
ARTICLE III	
CONDITIONS OF PURCHASE	
3.1 Conditions Precedent to Purchase	11
3.2 Conditions Precedent to Subsequent Payments	11
ARTICLE IV	
COVENANTS	
4.1 Affirmative Covenants of Originator	12
4.2 Negative Covenants of Originator	16
ARTICLE V	
TERMINATION EVENTS	
5.1 Termination Events	18
5.2 Remedies	19
ARTICLE VI	
INDEMNIFICATION	
6.1 Indemnities by Originator	19
6.2 Other Costs and Expenses	22
ARTICLE VII	
MISCELLANEOUS	
7.1 Waivers and Amendments	22
7.2 Notices	22
7.3 Protection of Ownership Interests of Buyer	23
7.4 Confidentiality	23
7.5 Bankruptcy Petition	24
7.6 Limitation of Liability	25
7.7 CHOICE OF LAW	25
7.8 CONSENT TO JURISDICTION	25
7.9 WAIVER OF JURY TRIAL	25

7.10	Integration; Binding Effect; Survival of Terms	26
7.11	Counterparts; Severability; Section References	26
7.12	Subordination	26

Exhibits and Schedules

Exhibit I	-	Definitions
Exhibit II	-	Places of Business; Jurisdictions of Organization and Chief Executive Offices; Locations of Records; Organizational Number(s); Federal Employer Identification Numbers(s); Other Names
Exhibit III	-	Lock-Boxes; Collection Accounts; Collection Banks
Exhibit IV	-	Form of Compliance Certificate
Exhibit V	-	Credit and Collection Policy
Exhibit VI	-	Form of Subscription Agreement
Exhibit VII	-	Form of Subordinated Note
Schedule A	-	Documents to Be Delivered to Buyer On Or Prior to the Purchase

RECEIVABLES SALE AGREEMENT

THIS RECEIVABLES SALE AGREEMENT, dated as of June 28, 2001, and amended by Amendment No. 1 hereto, dated as of February 6, 2002, and further amended by Amendment No. 2 hereto, dated as of June 26, 2002, and further amended by Amendment No. 3 hereto, dated as of November 25, 2002, and further amended by Amendment No. 4 hereto, dated as of December 12, 2002, and further amended by Amendment No. 5 hereto, dated as of August 15, 2003, and further amended by Amendment No. 6 hereto, dated as of August 3, 2005, and further amended by Amendment No. 7 hereto, dated as of August 29, 2007, and further amended by Amendment No. 8 hereto, dated as of August 6, 2010, and further amended by Amendment No. 9 hereto, and further amended by Amendment No. 10 hereto, is by and between AVNET, INC., a New York corporation ("Originator"), and AVNET RECEIVABLES CORPORATION, a Delaware corporation ("Buyer"). Unless defined elsewhere herein, capitalized terms used in this Agreement shall have the meanings assigned to such terms in Exhibit I hereto (or, if not defined in Exhibit I hereto, the meaning assigned to such term in Exhibit I to the Purchase Agreement).

PRELIMINARY STATEMENTS

Originator now owns, and from time to time hereafter will own, Receivables. Originator wishes to sell and assign to Buyer, and Buyer wishes to purchase from Originator, all of Originator's right, title and interest in and to such Receivables, together with the Related Security and Collections with respect thereto.

Originator and Buyer intend the transactions contemplated hereby to be true sales of the Receivables from Originator to Buyer, providing Buyer with the full benefits of ownership of the Receivables, and Originator and Buyer do not intend these transactions to be, or for any purpose to be characterized as, loans from Buyer to Originator.

Following the purchase of Receivables from Originator, Buyer will sell undivided interests therein and in the associated Related Security and Collections pursuant to that certain Amended and Restated Receivables Purchase Agreement dated as of February 6, 2002 (as the same may from time to time hereafter be amended, supplemented, restated or otherwise modified, the "Purchase Agreement") among Buyer, Originator, as Servicer, the commercial paper conduits from time to time party thereto as "Companies" (the "Companies"), the financial institutions from time to time party thereto as "Financial Institutions" and Bank One, NA (Main Office Chicago) or any successor agent appointed pursuant to the terms of the Purchase Agreement, as agent for such Companies and such Financial Institutions (in such capacity, the "Agent").

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
AMOUNTS AND TERMS OF THE PURCHASE

1.1 Purchase of Receivables.

(a) Effective on the date hereof, in consideration for the Purchase Price and upon the terms and subject to the conditions set forth herein, Originator does hereby sell, assign, transfer, set-over and otherwise convey to Buyer, without recourse (except to the extent expressly provided herein), and Buyer does hereby purchase from Originator, all of Originator's right, title and interest in and to all Receivables existing as of the close of business on the Business Day immediately prior to the date hereof and all Receivables thereafter arising through and including the Termination Date, together, in each case, with all Related Security relating thereto and all Collections thereof. In accordance with the preceding sentence, on the date hereof Buyer shall acquire all of Originator's right, title and interest in and to all Receivables existing as of the close of business on the Business Day immediately prior to the date hereof and thereafter arising through and including the Termination Date, together with all Related Security relating thereto and all Collections thereof. Buyer shall be obligated to pay the Purchase Price for the Receivables purchased hereunder in accordance with Section 1.2. In connection with consummation of the Purchase Price for any Receivables purchased hereunder, Buyer may request that Originator deliver, and Originator shall deliver, such approvals, opinions, information, reports or documents as Buyer may reasonably request.

(b) It is the intention of the parties hereto that the Purchase of Receivables made hereunder shall constitute a sale, which sale is absolute and irrevocable and provides Buyer with the full benefits of ownership of the Receivables. Except for the Purchase Price Credits owed pursuant to Section 1.3, the sale of Receivables hereunder is made without recourse to Originator; provided, however, that (i) Originator shall be liable to Buyer for all representations, warranties, covenants and indemnities made by Originator pursuant to the terms of the Transaction Documents to which Originator is a party, and (ii) such sale does not constitute and is not intended to result in an assumption by Buyer or any assignee thereof of any obligation of any Originating Entity or any other Person arising in connection with the Receivables, the related Contracts and/or other Related Security or any other obligations of any Originating Entity. In view of the intention of the parties hereto that the Purchase of Receivables made hereunder shall constitute a sale of such Receivables rather than loans secured thereby, Originator agrees that it will, on or prior to the date hereof and in accordance with Section 4.1(e)(ii), identify in its general ledger relating to the Receivables a legend acceptable to Buyer and to the Agent (as Buyer's assignee), evidencing that Buyer has purchased such Receivables as provided in this Agreement and to note in its financial statements that its Receivables have been sold to Buyer. Upon the request of Buyer or the Agent (as Buyer's assignee), Originator will authorize and file such financing or continuation statements, or amendments thereto or assignments thereof, and execute and file such other instruments, documents or notices, as may be necessary or appropriate to perfect and maintain the perfection of Buyer's ownership interest in the Receivables and the Related Security and Collections with respect thereto, or as Buyer or the Agent (as Buyer's assignee) may reasonably request.

1.2 Payment for the Purchase.

(a) The Purchase Price for the Purchase of Receivables in existence on the close of business on the Business Day immediately preceding the date hereof (the "Initial Cutoff Date") shall be payable in full by Buyer to Originator on the date hereof, and shall be paid to Originator in the following manner:

(i) by delivery of immediately available funds, to the extent of funds made available to Buyer in connection with its subsequent sale of an interest in such Receivables to the Purchasers under the Purchase Agreement; provided that a portion of such funds shall be offset by amounts owed by Originator to Buyer on account of the issuance of equity in the manner contemplated in the Subscription Agreement and having a total value of not less than the Required Capital Amount, and

(ii) the balance, by delivery of the proceeds of a subordinated revolving loan from Originator to Buyer (a "Subordinated Loan") in an amount not to exceed the least of (i) the remaining unpaid portion of such Purchase Price, (ii) the maximum Subordinated Loan that could be borrowed without rendering Buyer's Net Worth less than the Required Capital Amount and (iii) the maximum Subordinated Loan that could be borrowed without rendering the Net Value less than the aggregate outstanding principal balance of the Subordinated Loans (including the Subordinated Loan proposed to be made on such date). Originator is hereby authorized by Buyer to endorse on the schedule attached to the Subordinated Note an appropriate notation evidencing the date and amount of each advance thereunder, as well as the date of each payment with respect thereto, provided that the failure to make such notation shall not affect any obligation of Buyer thereunder.

The Purchase Price for each Receivable coming into existence after the Initial Cutoff Date shall be due and owing in full by Buyer to Originator or its designee on the date each such Receivable came into existence (except that Buyer may, with respect to any such Purchase Price, offset against such Purchase Price any amounts owed by Originator to Buyer hereunder and which have become due but remain unpaid) and shall be paid to Originator in the manner provided in the following paragraphs (b), (c) and (d).

(b) With respect to any Receivables coming into existence after the Initial Cutoff Date, on each Settlement Date, Buyer shall pay the Purchase Price therefor in accordance with Section 1.2(d) and in the following manner:

first, by delivery of immediately available funds, to the extent of funds available to Buyer from its subsequent sale of an interest in the Receivables to the Agent for the benefit of the Purchasers under the Purchase Agreement or other cash on hand;

second, by delivery of the proceeds of a Subordinated Loan, provided that the making of any such Subordinated Loan shall be subject to the provisions set forth in Section 1.2(a)(ii); and

third, unless Originator has declared the Termination Date to have occurred pursuant to Section 5.2, by accepting a contribution to its capital pursuant to the Subscription Agreement in an amount equal to the remaining unpaid balance of such Purchase Price.

Subject to the limitations set forth in Section 1.2(a)(ii), Originator irrevocably agrees to advance each Subordinated Loan requested by Buyer on or prior to the Termination Date. The Subordinated Loans shall be evidenced by, and shall be payable in accordance with the terms and provisions of the Subordinated Note and shall be payable solely from funds which Buyer is not required under the Purchase Agreement to set aside for the benefit of, or otherwise pay over to, the Purchasers.

(c) From and after the Termination Date, Originator shall not be obligated to (but may, at its option): (i) sell Receivables to Buyer, or (ii) contribute Receivables to Buyer's capital pursuant to clause third of Section 1.2(b) unless Originator reasonably determines that the Purchase Price therefor will be satisfied with funds available to Buyer from sales of interests in the Receivables pursuant to the Purchase Agreement, Collections, proceeds of Subordinated Loans, other cash on hand or otherwise.

(d) Although the Purchase Price for each Receivable coming into existence after the Initial Cutoff Date shall be due and payable in full by Buyer to Originator on the date such Receivable came into existence, settlement of the Purchase Price between Buyer and Originator shall be effected on a monthly basis on Settlement Dates with respect to all Receivables coming into existence during the same Calculation Period and based on the information contained in the Monthly Report delivered by the Servicer pursuant to Article VIII of the Purchase Agreement for the Calculation Period then most recently ended. Although settlement shall be effected on Settlement Dates, increases or decreases in the amount owing under the Subordinated Note made pursuant to Section 1.2(b) and any contribution of capital by Originator to Buyer made pursuant to Section 1.2(b) shall be deemed to have occurred and shall be effective as of the last Business Day of the Calculation Period to which such settlement relates.

1.3 Purchase Price Credit Adjustments. If on any day:

(a) the Outstanding Balance of a Receivable is:

(i) reduced as a result of any defective or rejected or returned goods or services, any discount or any adjustment or otherwise by Originator (other than cash Collections on account of the Receivables),

(ii) reduced or canceled as a result of a setoff in respect of any claim by any Person (whether such claim arises out of the same or a related transaction or an unrelated transaction), or

(b) any of the representations and warranties set forth in Article II are not true when made or deemed made with respect to any Receivable,

then, in such event, Buyer shall be entitled to a credit (each, a "Purchase Price Credit") against the Purchase Price otherwise payable hereunder equal to the Outstanding Balance of such Receivable

(calculated before giving effect to the applicable reduction or cancellation). If such Purchase Price Credit exceeds the Original Balance of the Receivables coming into existence on any day, then Originator shall pay to Buyer the remaining amount of such Purchase Price Credit in cash immediately, provided that if the Termination Date has not occurred, Originator shall be allowed to deduct the remaining amount of such Purchase Price Credit from any indebtedness owed to it under the Subordinated Note.

1.4 Payments and Computations, Etc. All amounts to be paid or deposited by Buyer hereunder shall be paid or deposited in accordance with the terms hereof on the day when due in immediately available funds to the account of Originator designated from time to time by Originator or as otherwise directed by Originator. In the event that any payment owed by any Person hereunder becomes due on a day that is not a Business Day, then such payment shall be made on the next succeeding Business Day. If any Person fails to pay any amount hereunder when due, such Person agrees to pay, on demand, the Default Fee in respect thereof until paid in full; provided, however, that such Default Fee shall not at any time exceed the maximum rate permitted by applicable law. All computations of interest payable hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed.

1.5 Transfer of Records.

(a) In connection with the Purchase of Receivables hereunder, Originator hereby sells, transfers, assigns and otherwise conveys to Buyer all of Originator's right and title to and interest in the Records relating to all Receivables sold hereunder, without the need for any further documentation in connection with the Purchase. In connection with such transfer, Originator hereby grants to each of Buyer, the Agent and the Servicer an irrevocable, non-exclusive license to use, without royalty or payment of any kind, all software used by Originator to account for the Receivables, to the extent necessary to administer the Receivables, whether such software is owned by Originator or is owned by others and used by Originator under license agreements with respect thereto, provided that should the consent of any licensor of such software be required for the grant of the license described herein, to be effective, Originator hereby agrees that upon the request of Buyer (or Buyer's assignee), Originator will use its reasonable efforts to obtain the consent of such third-party licensor. The license granted hereby shall be irrevocable until the indefeasible payment in full of the Aggregate Unpaid, and shall terminate on the date this Agreement terminates in accordance with its terms.

(b) Originator (i) shall take such action requested by Buyer and/or the Agent (as Buyer's assignee), from time to time hereafter, that may be necessary or appropriate to ensure that Buyer and its assigns under the Purchase Agreement have an enforceable ownership interest in the Records relating to the Receivables purchased from Originator hereunder, and (ii) shall use its reasonable efforts to ensure that Buyer, the Agent and the Servicer each has an enforceable right (whether by license or sublicense or otherwise) to use all of the computer software used to account for the Receivables and/or to recreate such Records.

1.6 Characterization. If, notwithstanding the intention of the parties expressed in Section 1.1(b), any sale or contribution by Originator to Buyer of Receivables hereunder shall be characterized as a secured loan and not a sale or such sale shall for any reason be ineffective or

unenforceable (any of the foregoing being a "Recharacterization"), then this Agreement shall be deemed to constitute a security agreement under the UCC and other applicable law. For this purpose and without being in derogation of the parties' intention that the sale of Receivables hereunder shall constitute a true sale thereof, Originator hereby grants to Buyer a duly perfected security interest in all of Originator's right title and interest in, to and under all Receivables now existing and hereafter arising through and including the Termination Date, all Collections and Related Security with respect thereto, each Lock-Box and Collection Account, all other rights and payments relating to the Receivables and all proceeds of the foregoing to secure the prompt and complete payment of a loan deemed to have been made in an amount equal to the Purchase Price of the Receivables together with all other obligations of Originator hereunder, which security interest shall be prior to all other Adverse Claims thereto. Buyer and its assigns shall have, in addition to the rights and remedies which they may have under this Agreement, all other rights and remedies provided to a secured creditor under the UCC and other applicable law, which rights and remedies shall be cumulative. In the case of any Recharacterization, each of the Originator and the Buyer represents and warrants as to itself that each remittance of Collections by the Originator to the Buyer hereunder will have been (i) in payment of a debt incurred by the Originator in the ordinary course of business or financial affairs of the Originator and the Buyer and (ii) made in the ordinary course of business or financial affairs of the Originator and the Buyer.

ARTICLE II REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Originator. Originator hereby represents and warrants to Buyer on the date hereof, on the date of the Purchase and on each date that any Receivable comes into existence that:

(a) Corporate Existence and Power. Originator is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power, and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted except where the failure to so qualify or so hold could not reasonably be expected to have a Material Adverse Effect.

(b) Power and Authority; Due Authorization, Execution and Delivery. The execution and delivery by Originator of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder and, Originator's use of the proceeds of the Purchase made hereunder, are within its corporate powers and authority, and have been duly authorized by all necessary corporate action on its part. This Agreement and each other Transaction Document to which Originator is a party has been duly executed and delivered by Originator.

(c) No Conflict. The execution and delivery by Originator of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder do not contravene or violate (i) its certificate or articles of incorporation or by-laws or any shareholder agreements, voting trusts, and similar arrangements applicable to any of its authorized shares, (ii) any law, rule or regulation applicable to it, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any

of its property is bound, or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, and do not result in the creation or imposition of any Adverse Claim on assets of Originator or its Subsidiaries (except as created hereunder); and no transaction contemplated hereby requires compliance with any bulk sales act or similar law.

(d) Governmental Authorization. Other than the filing of the financing statements required hereunder, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by Originator of this Agreement and each other Transaction Document to which it is a party and the performance of its obligations hereunder and thereunder.

(e) Actions, Suits. There are no actions, suits or proceedings pending, or to the best of Originator's knowledge, threatened, against or affecting Originator, or any of its properties, in or before any court, arbitrator or other body, except for actions, suits or proceedings (i) that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect or (ii) that have been publicly disclosed in any periodic report or other filing made by Originator pursuant to, and in full conformity with the requirements of, the Securities Exchange Act of 1934. In addition to the foregoing, there are no actions, suits or proceedings pending, or to the best of Originator's knowledge, threatened against or affecting the Receivables, the Related Security or any Transaction Document, in or before any court, arbitration or other body. Originator is not in default with respect to any order of any court, arbitrator or governmental body.

(f) Binding Effect. This Agreement and each other Transaction Document to which Originator is a party constitute the legal, valid and binding obligations of Originator enforceable against Originator in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(g) Accuracy of Information. All information heretofore furnished by Originator or any of its Affiliates to Buyer (or its assigns) for purposes of or in connection with this Agreement, any of the other Transaction Documents or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by Originator or any of its Affiliates to Buyer (or its assigns) will be, true and accurate in every material respect on the date such information is stated or certified and does not and will not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading.

(h) Use of Proceeds. No proceeds of any Purchase Price payment hereunder will be used (i) for a purpose that violates, or would be inconsistent with, any law, rule or regulation applicable to Originator or (ii) to acquire any security in any transaction which is subject to Section 13 or 14 of the Securities Exchange Act of 1934, as amended.

(i) Good Title. Immediately prior to the Purchase hereunder and upon the creation of each Receivable coming into existence after the Initial Cut-Off Date and, with respect to Receivables originated by the Subsidiary Originator, upon the sale of such Receivables to Originator in accordance with the Subsidiary Receivables Sale Agreement, Originator (i) is the

legal and beneficial owner of the Receivables and (ii) is the legal and beneficial owner of the Related Security with respect thereto or possesses a valid and perfected security interest therein, in each case, free and clear of any Adverse Claim, except as created by the Transaction Documents. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Originator's ownership interest in each Receivable, its Collections and the Related Security.

(j) Perfection. This Agreement, together with the filing of the financing statements contemplated hereby, is effective to transfer to Buyer (and Buyer shall acquire from Originator) (i) legal and equitable title to, with the right to sell and encumber each Receivable existing and hereafter arising, together with the Collections with respect thereto, and (ii) all of Originator's right, title and interest in the Related Security associated with each Receivable, in each case, free and clear of any Adverse Claim, except as created by the Transactions Documents. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Buyer's ownership interest in the Receivables, the Related Security and the Collections.

(k) Places of Business, Jurisdiction of Organization and Locations of Records. The principal places of business, jurisdiction of organization and chief executive office of Originator and the offices where it keeps all of its Records are located at the address(es) listed on Exhibit II or such other locations of which Buyer has been notified in accordance with Section 4.2(a) in jurisdictions where all action required by Section 4.2(a) and/or Section 7.3(a) has been taken and completed. Originator's organizational number assigned to it by its jurisdiction of organization and Originator's Federal Employer Identification Number are correctly set forth on Exhibit II. Originator has not changed the location of its principal place of business and chief executive office or its corporate structure within the four months prior to June 28, 2001. Originator has not changed its jurisdiction of organization. Originator is a New York corporation and is a "registered organization" (within the meaning of Section 9-102 of the UCC in effect in the State of New York).

(l) Collections. The conditions and requirements set forth in Section 4.1(j) have at all times been satisfied and duly performed. The names and addresses of all Collection Banks, together with the account numbers of the Collection Accounts of Originator at each Collection Bank and the post office box number of each Lock-Box, are listed on Exhibit III. Originator has not granted any Person, other than Buyer (and its assigns) dominion and control or "control" (within the meaning of Section 9-104 of the UCC of all applicable jurisdictions) of any Lock-Box or Collection Account, or the right to take dominion and control or "control" (within the meaning of Section 9-104 of the UCC of all applicable jurisdictions) of any such Lock-Box or Collection Account at a future time or upon the occurrence of a future event. Originator has taken all steps necessary to ensure that the Agent has "control" (within the meaning of Section 9-104 of the UCC of all applicable jurisdictions) over all of its Collection Accounts and Lock-Boxes.

(m) Material Adverse Effect. Since March 31, 2001 no event has occurred that would have a Material Adverse Effect.

(n) Names. In the past five (5) years, Originator has not used any corporate names, trade names or assumed names other than as listed on Exhibit II.

(o) Ownership of Buyer. Originator owns, directly or indirectly, 100% of the issued and outstanding capital stock of Buyer, free and clear of any Adverse Claim. Such capital stock is validly issued, fully paid and nonassessable, and there are no options, warrants or other rights to acquire securities of Buyer.

(p) Not a Holding Company or an Investment Company. Originator is not a "holding company," or a "subsidiary holding company," of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended, or any successor statute. Originator is not an "investment company," within the meaning of the Investment Company Act of 1940, as amended, or any successor statute.

(q) Compliance with Law. Originator has complied in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect. Each Receivable, together with the Contract related thereto, does not contravene any laws, rules or regulations applicable thereto (including, without limitation, laws, rules and regulations relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy), and no part of such Contract is in violation of any such law, rule or regulation.

(r) Compliance with Credit and Collection Policy. Originator has complied in all material respects with the applicable Credit and Collection Policy with regard to each Receivable and the related Contract, and has not made any change to any Credit and Collection Policy, except such material change as to which Buyer (or its assigns) has been notified in accordance with Section 4.1(a)(vii).

(s) Payments to Originator. With respect to each Receivable transferred to Buyer hereunder, the Purchase Price received by Originator constitutes reasonably equivalent value in consideration therefor and such transfer was not made for or on account of an antecedent debt. No transfer by Originator of any Receivable hereunder is or may be voidable under any section of the Bankruptcy Reform Act of 1978 (11 U.S.C. § 101 et seq.), as amended.

(t) Enforceability of Contracts. Each Contract with respect to each Receivable is effective to create, and has created, a legal, valid and binding obligation of the related Obligor to pay the Outstanding Balance of the Receivable created thereunder and any accrued interest thereon, enforceable against the Obligor in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(u) Eligible Receivables. Each Receivable included at any time in the Net Receivables Balance as an Eligible Receivable was, on the later to occur of the date of the Purchase and the date it came into existence, an Eligible Receivable on such date.

(v) Accounting. The manner in which Originator accounts for the transactions contemplated by this Agreement does not jeopardize the characterization of the

transactions contemplated herein as being true sales of the Receivables by the Originator to the Buyer.

(w) Payments to Subsidiary Originator. With respect to each Receivable transferred to Originator from the Subsidiary Originator under the Subsidiary Receivables Sale Agreement, Originator has given reasonably equivalent value to the Subsidiary Originator in consideration therefor and such transfer was not made for or on account of an antecedent debt. No transfer by the Subsidiary Originator of any Receivable under the Subsidiary Receivables Sale Agreement is or may be voidable under any section of the Federal Bankruptcy Code.

ARTICLE III CONDITIONS OF PURCHASE

3.1 Conditions Precedent to Purchase. The Purchase under this Agreement is subject to the conditions precedent that (a) Buyer shall have received on or before the date of such purchase those documents listed on Schedule A and (b) all of the conditions to the initial purchase under the Purchase Agreement shall have been satisfied or waived in accordance with the terms thereof.

3.2 Conditions Precedent to Subsequent Payments. Buyer's obligation to pay for Receivables coming into existence after the Initial Cutoff Date shall be subject to the further conditions precedent that (a) the Facility Termination Date shall not have occurred; (b) Buyer (or its assigns) shall have received such other approvals, opinions or documents as it may reasonably request and (c) on the date such Receivable came into existence, the following statements shall be true (and acceptance of the proceeds of any payment for such Receivable shall be deemed a representation and warranty by Originator that such statements are then true):

(i) the representations and warranties set forth in Article II are true and correct on and as of the date such Receivable came into existence as though made on and as of such date; and

(ii) no event has occurred and is continuing that will constitute a Termination Event or a Potential Termination Event.

Notwithstanding the foregoing conditions precedent, upon payment of the Purchase Price for any Receivable (whether by payment of cash, through an increase in the amounts outstanding under the Subordinated Note, by offset of amounts owed to Buyer and/or by offset of capital contributions), title to such Receivable and the Related Security and Collections with respect thereto shall vest in Buyer, whether or not the conditions precedent to Buyer's obligation to pay for such Receivable were in fact satisfied. The failure of Originator to satisfy any of the foregoing conditions precedent, however, shall give rise to a right of Buyer to rescind the related purchase and direct Originator to pay to Buyer an amount equal to the Purchase Price payment that shall have been made with respect to any Receivables related thereto.

ARTICLE IV
COVENANTS

4.1 Affirmative Covenants of Originator. Until the date on which this Agreement terminates in accordance with its terms, Originator hereby covenants as set forth below:

(a) Financial Reporting. Originator will maintain, for itself and each of its Subsidiaries, a system of accounting established and administered in accordance with GAAP, and furnish to Buyer (or its assigns):

(i) Annual Reporting. Within 120 days after the close of each of its respective fiscal years, audited, unqualified consolidated financial statements (which shall include balance sheets, statements of income and retained earnings and a statement of cash flows) for Originator and its Subsidiaries for such fiscal year certified in a manner acceptable to Buyer (or its assigns) by independent public accountants of recognized national standing.

(ii) Quarterly Reporting. Within 60 days after the close of the first three (3) quarterly periods of each of its respective fiscal years, consolidated balance sheets of Originator and its Subsidiaries as at the close of each such period and statements of income and retained earnings and a statement of cash flows for Originator and its Subsidiaries for the period from the beginning of such fiscal year to the end of such quarter, all certified, subject to year-end audit adjustments, as to fairness of presentation, GAAP, and consistency, by its chief financial officer, chief accounting officer or treasurer.

(iii) Compliance Certificate. Together with the financial statements required hereunder, a compliance certificate in substantially the form of Exhibit IV signed by Originator's Authorized Officer and dated the date of such annual financial statement or such quarterly financial statement, as the case may be.

(iv) Shareholders Statements and Reports. Promptly upon the furnishing thereof to the shareholders of Originator, copies of all financial statements, reports and proxy statements so furnished.

(v) S.E.C. Filings. Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which Originator or any of its Subsidiaries files with the Securities and Exchange Commission.

(vi) Copies of Notices. Promptly upon its receipt of any notice, request for consent, financial statements, certification, report or other communication under or in connection with any Transaction Document from any Person other than Buyer or the Agent, copies of the same.

(vii) Change in Credit and Collection Policy. At least thirty (30) days prior to the effectiveness of any material change in or material

amendment to any Credit and Collection Policy, a copy of such Credit and Collection Policy then in effect and a notice (A) indicating such change or amendment, and (B) if such proposed change or amendment would be reasonably likely to adversely affect the collectibility of the Receivables or decrease the credit quality of any newly created Receivables, requesting Buyer's consent thereto.

(viii) Other Information. Promptly, from time to time, such other information, documents, records or reports relating to the Receivables or the condition or operations, financial or otherwise, of Originator as Buyer (or its assigns) may from time to time reasonably request in order to protect the interests of Buyer (and its assigns) under or as contemplated by this Agreement.

(b) Notices. Originator will notify the Buyer (or its assigns) in writing of any of the following promptly upon learning of the occurrence thereof, describing the same and, if applicable, the steps being taken with respect thereto:

(i) Termination Events or Potential Termination Events. The occurrence of each Termination Event and each Potential Termination Event, by a statement of an Authorized Officer of Originator.

(ii) Judgment and Proceedings. (1) The entry of any judgment or decree against Originator or any of its Subsidiaries if the aggregate amount of all judgments and decrees then outstanding against Originator and its Subsidiaries exceeds \$25,000,000 and (2) the institution of any litigation, arbitration proceeding or governmental proceeding against Originator which, individually or in the aggregate, if adversely determined, would reasonably be expected to result in a judgment in excess of \$50,000,000 or could reasonably be expected to have a Material Adverse Effect.

(iii) Material Adverse Effect. The occurrence of any event or condition that has had, or could reasonably be expected to have, a Material Adverse Effect.

(iv) Defaults Under Other Agreements. The occurrence of a default or an event of default under any other financing arrangement pursuant to which Originator is a debtor or an obligor.

(v) Downgrade of the Originator. Any downgrade in the rating of any Indebtedness of Originator by Standard and Poor's Ratings Services or by Moody's Investors Service, Inc., setting forth the Indebtedness affected and the nature of such change.

(c) Compliance with Laws and Preservation of Corporate Existence. Originator will comply in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect. Originator will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction

of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where its business is conducted.

(d) Audits. Originator will furnish to Buyer (or its assigns) from time to time such information with respect to it and the Receivables as Buyer (or its assigns) may reasonably request. Originator will, from time to time during regular business hours as requested by Buyer (or its assigns), upon reasonable notice and at the sole cost of Originator, permit Buyer (or its assigns) or its or their respective agents or representatives, as applicable, (i) to examine and make copies of and abstracts from all Records in the possession or under the control of Originator relating to the Receivables and the Related Security, including, without limitation, the related Contracts, and (ii) to visit the offices and properties of Originator for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to Originator's financial condition or the Receivables and the Related Security or Originator's performance under any of the Transaction Documents or Originator's performance under the Contracts and, in each case, with any of the officers or employees of Originator having knowledge of such matters.

(e) Keeping and Marking of Records and Books.

(i) Originator will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Receivables (including, without limitation, records adequate to permit the immediate identification of each new Receivable and all Collections of and adjustments to each existing Receivable). Originator will give Buyer (or its assigns) notice of any material change in the administrative and operating procedures referred to in the previous sentence.

(ii) Originator will (A) on or prior to the date hereof, identify in its general ledger a legend, acceptable to Buyer (or its assigns), describing Buyer's ownership interests in the Receivables and further describing the Purchaser Interests of the Agent (on behalf of the Purchasers) under the Purchase Agreement and (B) upon the request of Buyer (or its assigns), (x) mark each Contract with a legend describing Buyer's ownership interests in the Receivables and further describing the Purchaser Interests of the Agent (on behalf of the Purchasers) and (y) deliver to Buyer (or its assigns) all Contracts (including, without limitation, all multiple originals of any such Contract) relating to the Receivables.

(f) Compliance with Contracts and Credit and Collection Policy. Originator will timely and fully (i) perform and comply with all provisions, covenants and other promises required to be observed by it under the Contracts related to the Receivables, and (ii) comply in all respects with the applicable Credit and Collection Policy in regard to each Receivable and the related Contract.

(g) Ownership. Originator will take all necessary action to establish and maintain, irrevocably in Buyer, (A) legal and equitable title to the Receivables and the Collections and (B) all of Originator's right, title and interest in the Related Security associated with the Receivables, in each case, free and clear of any Adverse Claims other than Adverse Claims in favor of Buyer (and its assigns) (including, without limitation, the filing of all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Buyer's interest in such Receivables, Related Security and Collections and such other action to perfect, protect or more fully evidence the interest of Buyer as Buyer (or its assigns) may reasonably request).

(h) Purchasers' Reliance. Originator acknowledges that the Agent and the Purchasers are entering into the transactions contemplated by the Purchase Agreement in reliance upon Buyer's identity as a legal entity that is separate from Originator and any Affiliates thereof. Therefore, from and after the date of execution and delivery of this Agreement, Originator will take all reasonable steps including, without limitation, all steps that Buyer, or any assignee of Buyer, may from time to time reasonably request to maintain Buyer's identity as a separate legal entity and to make it manifest to third parties that Buyer is an entity with assets and liabilities distinct from those of Originator and any Affiliates thereof and not a division of Originator or any such Affiliate. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, Originator (i) will not hold itself out to third parties as liable for the debts of Buyer nor purport to own the Receivables and other assets acquired by Buyer, (ii) will take all other actions necessary on its part to ensure that Buyer is at all times in compliance with the covenants set forth in Section 7.1(i) of the Purchase Agreement and (iii) will cause all tax liabilities arising in connection with the transactions contemplated herein or otherwise to be allocated between Originator and Buyer on an arm's-length basis and in a manner consistent with the procedures set forth in U.S. Treasury Regulations §§ 1.1502-33(d) and 1.1552-1.

(i) Collections. Originator will cause (1) all proceeds from all Lock-Boxes to be directly deposited by a Collection Bank into a Collection Account and (2) each Lock-Box and Collection Account to be subject at all times to a Collection Account Agreement that is in full force and effect. In the event any payments relating to Receivables are remitted directly to Originator or any Affiliate of Originator, Originator will remit (or will cause all such payments to be remitted) directly to a Collection Bank and deposited into a Collection Account within two (2) Business Days following receipt thereof and, at all times prior to such remittance, Originator will itself hold such payments in trust for the exclusive benefit of Buyer and its assigns. Originator will transfer exclusive ownership, dominion and control of each Lock-Box and Collection Account to Buyer and, will not grant the right to take dominion and control or establish "control" (within the meaning of Section 9-104 of the UCC of all applicable jurisdictions) of any Lock-Box or Collection Account at a future time or upon the occurrence of a future event to any Person, except to Buyer (or its assigns) as contemplated by this Agreement and the Purchase Agreement. With respect to any Lock-Box or Collection Account, Originator shall take all steps necessary to ensure that the Agent has "control" (within the meaning of Section 9-104 of the UCC of all applicable jurisdictions) over such Lock-Box or Collection Account.

(j) Taxes. Originator will file all tax returns and reports required by law to be filed by it and promptly pay all taxes and governmental charges at any time owing. Originator

will pay when due any taxes payable in connection with the Receivables, exclusive of taxes on or measured by income or gross receipts of Buyer and its assigns.

(k) Insurance. Originator will maintain in effect, or cause to be maintained in effect, at Originator's own expense, such casualty and liability insurance as Originator deems appropriate in its good faith business judgment. Buyer and the Agent, for the benefit of the Purchasers, shall be named as additional insureds with respect to all such liability insurance maintained by Originator. Originator will pay or cause to be paid, the premiums therefor and deliver to Buyer and the Agent evidence satisfactory to Buyer and the Agent of such insurance coverage. Copies of each policy shall be furnished to Buyer, the Agent and any Purchaser in certificated form upon Buyer's, the Agent's or such Purchaser's request.

(l) Segregation of Other Servicer Collected Funds. Originator shall, within six (6) days of the date any Other Servicer Collected Funds are deposited, credited or funded to any Collection Account, (i) specifically identify all such Other Servicer Collected Funds and (ii) cause all Other Servicer Collected Funds to be transferred from the applicable Collection Account.

(m) Elimination of Other Servicer Collected Funds. Subject to Section 4.1(l), Originator shall prevent all Other Servicer Collected Funds from being deposited, credited or otherwise funded to, any and all Collection Accounts.

(n) Performance and Enforcement of Subsidiary Receivables Sale Agreement. Originator will, and will require the Subsidiary Originator to, perform its obligations and undertakings under and pursuant to the Subsidiary Receivables Sale Agreement, will purchase Receivables under the Subsidiary Receivables Sale Agreement in strict compliance with the terms thereof and will vigorously enforce the rights and remedies accorded to Originator, or assigned by the Subsidiary Originator under the Subsidiary Receivables Sale Agreement. Originator will take all actions to perfect and enforce its rights and interests (and the rights and interests of Buyer as assignee of Originator) under the Subsidiary Receivables Sale Agreement as Buyer may from time to time reasonably request, including, without limitation, making claims to which it may be entitled under any indemnity, reimbursement or similar provision contained in the Subsidiary Receivables Sale Agreement.

(o) Payment to Subsidiary Originator. With respect to any Receivable purchased by Originator from the Subsidiary Originator, such sale shall be effected under, and in strict compliance with the terms of, the Subsidiary Receivables Sale Agreement, including, without limitation, the terms relating to the amount and timing of payments to be made to the Subsidiary Originator in respect of the purchase price for such Receivable.

4.2 Negative Covenants of Originator. Until the date on which this Agreement terminates in accordance with its terms, Originator hereby covenants that:

(a) Name Change, Jurisdiction of Organization, Corporate Structure, Offices and Records. Originator will not change its name, identity, jurisdiction of organization or corporate structure (within the meaning of Sections 9-503 and/or 9-507 of the UCC of all applicable jurisdictions) or relocate its chief executive office, principal place of business or any office where Records are kept unless it shall have: (i) given Buyer (or its assigns) at least forty-

five (45) days' prior written notice thereof and (ii) delivered to Buyer (or its assigns) all financing statements, instruments and other documents requested by Buyer (or its assigns) in connection with such change or relocation.

(b) Change in Payment Instructions to Obligors. Originator will not add or terminate any bank as a Collection Bank, or make any change in the instructions to Obligors regarding payments to be made to any Lock-Box or Collection Account, unless Buyer (or its assigns) shall have received, at least ten (10) days before the proposed effective date therefor, (i) written notice of such addition, termination or change and (ii) with respect to the addition of a Collection Bank or a Collection Account or Lock-Box, an executed Collection Account Agreement with respect to the new Collection Account or Lock-Box; provided, however, that Originator may make changes in instructions to Obligors regarding payments if such new instructions require such Obligor to make payments to another existing Collection Account.

(c) Modifications to Contracts and Credit and Collection Policy. Originator will not make or permit to be made any change to any Credit and Collection Policy that could adversely affect the collectibility of the Receivables or decrease the credit quality of any newly created Receivables. Except as otherwise permitted in its capacity as Servicer pursuant to Article VIII of the Purchase Agreement, Originator will not extend, amend or otherwise modify the terms of any Receivable or any Contract related thereto other than in accordance with the applicable Credit and Collection Policy.

(d) Sales, Liens. Originator will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any Receivable, Related Security or Collections, or upon or with respect to any Contract under which any Receivable arises, or any Lock-Box or Collection Account, or assign any right to receive income with respect thereto (other than, in each case, the creation of the interests therein in favor of Buyer (or its assigns) provided for herein), and Originator (or its assigns) will defend the right, title and interest of Buyer, or its assigns, in, to and under any of the foregoing property, against all claims of third parties claiming through or under Originator. Originator shall not create or suffer to exist any mortgage, pledge, security interest, encumbrance, lien, charge or other similar arrangement on any of its inventory, the financing or lease of which gives rise to any Receivable, other than a Permitted Adverse Claim.

(e) Accounting for Purchase. Originator will not, and will not permit any Affiliate to, account for or treat (whether in financial statements or otherwise) the transactions contemplated hereby in any manner other than the sale of the Receivables and the Related Security by Originator to Buyer or in any other respect account for or treat the transactions contemplated hereby in any manner other than as a sale of the Receivables and the Related Security by Originator to Buyer except to the extent that such transactions are not recognized on account of consolidated financial reporting in accordance with generally accepted accounting principles.

(f) Termination Date Determination. Originator will not designate the "Termination Date" (as defined in the Subsidiary Receivables Sale Agreement), or send any written notice to the Subsidiary Originator in respect thereof, without the prior written consent of

the Agent, except with respect to the occurrence of such Termination Date arising pursuant to Section 6.1(d) of the Subsidiary Receivables Sale Agreement.

ARTICLE V TERMINATION EVENTS

5.1 Termination Events. The occurrence of any one or more of the following events shall constitute a "Termination Event":

(a) Originator shall fail (i) to make any payment or deposit required to be made by Originator hereunder when due and such failure continues for one (1) day, or (ii) to perform or observe any term, covenant or agreement hereunder (other than as referred to in clause (i) of this paragraph (a)) or any other Transaction Document to which it is a party and such failure shall continue for three (3) consecutive Business Days.

(b) Any representation, warranty, certification or statement made by Originator in this Agreement, any other Transaction Document or in any other document delivered pursuant hereto or thereto shall prove to have been incorrect when made or deemed made.

(c) Failure of Originator to pay any Indebtedness when due in excess of \$35 million, individually or in the aggregate; or the default by Originator in the performance of any term, provision or condition contained in any agreement under which any such Indebtedness was created or is governed, the effect of which is to cause, or to permit the holder or holders of such Indebtedness to cause, such Indebtedness to become due prior to its stated maturity; or any such Indebtedness of Originator shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to the date of maturity thereof.

(d) (i) Originator or any of its Subsidiaries shall generally not pay its debts as such debts become due or shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors; or (ii) any proceeding shall be instituted by or against Originator or any of its Subsidiaries seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property or (iii) Originator or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth in the foregoing clauses (i) or (ii) of this subsection (d).

(e) A Change of Control shall occur.

(f) (i) the "Consolidated Interest Coverage Ratio" (as defined in the Current Avnet Credit Agreement) as of the end of any period of four fiscal quarters of Originator shall be less than 3.00 to 1.00 or (ii) the "Consolidated Leverage Ratio" (as defined in the Current Avnet Credit Agreement) at any time during any period set forth below shall be greater than the ratio set forth below opposite such period:

Period	Maximum Consolidated Leverage Ratio
April 3, 2005 through July 2, 2005	5.00 to 1.00
July 3, 2005 through October 1, 2005	4.75 to 1.00
October 2, 2005 through December 31, 2005	4.50 to 1.00
January 1, 2006 through July 1, 2006	4.25 to 1.00
July 2, 2006 and thereafter	4.00 to 1.00

(g) One or more final judgments for the payment of money in an amount in excess of \$50,000,000, individually or in the aggregate, shall be entered against Originator on claims not covered by insurance or as to which the insurance carrier has denied its responsibility, and such judgment shall continue unsatisfied and in effect for thirty (30) consecutive days without a stay of execution.

(h) The occurrence of any "Termination Event" under and as defined in the Subsidiary Receivables Sale Agreement.

5.2 Remedies. Upon the occurrence and during the continuation of a Termination Event, Buyer may take any of the following actions: (i) declare the Termination Date to have occurred, whereupon the Termination Date shall forthwith occur, without demand, protest or further notice of any kind, all of which are hereby expressly waived by Originator; provided, however, that upon the occurrence of a Termination Event described in Section 5.1(d), or of an actual or deemed entry of an order for relief with respect to Originator under the Federal Bankruptcy Code, the Termination Date shall automatically occur, without demand, protest or any notice of any kind, all of which are hereby expressly waived by Originator and (ii) to the fullest extent permitted by applicable law, declare that the Default Fee shall accrue with respect to any amounts then due and owing by Originator to Buyer. The aforementioned rights and remedies shall be without limitation and shall be in addition to all other rights and remedies of Buyer and its assigns otherwise available under any other provision of this Agreement, by operation of law, at equity or otherwise, all of which are hereby expressly preserved, including, without limitation, all rights and remedies provided under the UCC, all of which rights shall be cumulative.

ARTICLE VI INDEMNIFICATION

6.1 Indemnities by Originator. Without limiting any other rights that Buyer may have hereunder or under applicable law, Originator hereby agrees to indemnify (and pay upon demand to) Buyer and its assigns, officers, directors, agents and employees (each an

"Indemnified Party") from and against any and all damages, losses, claims, taxes, liabilities, costs, expenses and for all other amounts payable, including reasonable attorneys' fees (which attorneys may be employees of Buyer or any such assign) and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by any of them arising out of or as a result of this Agreement, or the use of the proceeds of any purchase hereunder, or the acquisition, funding or ownership, either directly or indirectly, by Buyer of an interest in the Receivables, or any Receivable or any Contract or any Related Security, excluding, however:

(i) Indemnified Amounts to the extent a final judgment of a court of competent jurisdiction holds that such Indemnified Amounts resulted from gross negligence or willful misconduct on the part of the Indemnified Party seeking indemnification;

(ii) Indemnified Amounts to the extent the same includes losses in respect of Receivables that are uncollectible on account of the insolvency, bankruptcy or lack of creditworthiness of the related Obligor; or

(iii) taxes imposed by the jurisdiction in which such Indemnified Party's principal executive office is located, on or measured by the overall net income of such Indemnified Party to the extent that the computation of such taxes is consistent with the characterization for income tax purposes of the acquisition by the Purchasers of Purchaser Interests under the Purchase Agreement as a loan or loans by the Purchasers to Buyer secured by, among other things, the Receivables, the Related Security and the Collections;

provided, however, that nothing contained in this sentence shall limit the liability of Originator or limit the recourse of Buyer to Originator for amounts otherwise specifically provided to be paid by Originator under the terms of this Agreement. Without limiting the generality of the foregoing indemnification, Originator shall indemnify Buyer for Indemnified Amounts (including, without limitation, losses in respect of uncollectible receivables, regardless of whether reimbursement therefor would constitute recourse to Originator) relating to or resulting from:

(i) any representation or warranty made by any Originating Entity (or any officers of Originator) under or in connection with this Agreement, any other Transaction Document or any other information or report delivered by any Originating Entity pursuant hereto or thereto that shall have been false or incorrect when made or deemed made;

(ii) the failure by any Originating Entity to comply with any applicable law, rule or regulation with respect to any Receivable or Contract related thereto, or the nonconformity of any Receivable or Contract included therein with any such applicable law, rule or regulation or any failure of any Originating Entity to keep or perform any of its obligations, express or implied, with respect to any Contract;

(iii) any failure of any Originating Entity to perform its duties, covenants or other obligations in accordance with the provisions of this Agreement or any other Transaction Document;

(iv) any products liability, personal injury or damage, suit or other similar claim arising out of or in connection with merchandise, insurance or services that are the subject of any Contract or any Receivable;

(v) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Receivable (including, without limitation, a defense based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the merchandise or service related to such Receivable or the furnishing or failure to furnish such merchandise or services;

(vi) the commingling of Collections of Receivables at any time with other funds;

(vii) any investigation, litigation or proceeding related to or arising from this Agreement or any other Transaction Document, the transactions contemplated hereby, the use of the proceeds of any Purchase Price Payment, the ownership of the Receivables or any other investigation, litigation or proceeding relating to any Originating Entity in which any Indemnified Party becomes involved as a result of any of the transactions contemplated hereby;

(viii) any inability to litigate any claim against any Obligor in respect of any Receivable as a result of such Obligor being immune from civil and commercial law and suit on the grounds of sovereignty or otherwise from any legal action, suit or proceeding;

(ix) any Termination Event described in Section 5.1(d);

(x) any failure to vest and maintain vested in Buyer, or to transfer to Buyer, legal and equitable title to, and ownership of, the Receivables and the Collections, and all of Originator's right, title and interest in the Related Security associated with the Receivables, in each case, free and clear of any Adverse Claim, including any such failure occurring by reason of any failure by Originator to acquire and maintain the same from the Subsidiary Originator;

(xi) the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Receivable, the Related Security and Collections with respect thereto, and the proceeds of any thereof, whether at the time of the Purchase or at any subsequent time;

(xii) any action or omission by any Originating Entity which reduces or impairs the rights of Buyer with respect to any Receivable or the value of any such Receivable;

(xiii) any attempt by any Person to void the Purchase hereunder under statutory provisions or common law or equitable action; and

(xiv) the failure of any Receivable included in the calculation of the Net Receivables Balance as an Eligible Receivable to be an Eligible Receivable at the time so included.

6.2 Other Costs and Expenses. Originator shall pay to Buyer on demand all costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of this Agreement, the transactions contemplated hereby and the other documents to be delivered hereunder. Originator shall pay to Buyer on demand any and all costs and expenses of Buyer, if any, including reasonable counsel fees and expenses in connection with the enforcement of this Agreement and the other documents delivered hereunder and in connection with any restructuring or workout of this Agreement or such documents, or the administration of this Agreement following a Termination Event.

ARTICLE VII MISCELLANEOUS

7.1 Waivers and Amendments.

(a) No failure or delay on the part of Buyer (or its assigns) in exercising any power, right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided shall be cumulative and nonexclusive of any rights or remedies provided by law. Any waiver of this Agreement shall be effective only in the specific instance and for the specific purpose for which given.

(b) No provision of this Agreement may be amended, supplemented, modified or waived except in writing signed by Originator and Buyer and, to the extent required under the Purchase Agreement, the Agent and the Required Purchasers.

7.2 Notices. All communications and notices provided for hereunder shall be in writing (including bank wire, telecopy or electronic facsimile transmission or similar writing) and shall be given to the other parties hereto at their respective addresses or telecopy numbers set forth on the signature pages hereof or at such other address or telecopy number as such Person may hereafter specify for the purpose of notice to each of the other parties hereto. Each such notice or other communication shall be effective (i) if given by telecopy, upon the receipt thereof, (ii) if given by mail, three (3) Business Days after the time such communication is deposited in the mail

with first class postage prepaid or (iii) if given by any other means, when received at the address specified in this Section 7.2.

7.3 Protection of Ownership Interests of Buyer.

(a) Originator agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents, and take all actions, that may be necessary or desirable, or that Buyer (or its assigns) may request, to perfect, protect or more fully evidence the interest of Buyer hereunder and the Purchaser Interests, or to enable Buyer (or its assigns) to exercise and enforce their rights and remedies hereunder. Without limiting the foregoing, Originator will, upon the request of Buyer (or its assigns), file such financing or continuation statements, or amendments thereto or assignments thereof, and execute and file such other instruments and documents, that may be necessary or desirable, or that Buyer (or its assigns) may reasonably request, to perfect, protect or evidence the interest of Buyer hereunder and the Purchaser Interests. At any time, Buyer (or its assigns) may, at Originator's sole cost and expense, direct Originator to notify the Obligor of Receivables of the ownership interests of Buyer under this Agreement and may also direct that payments of all amounts due or that become due under any or all Receivables be made directly to Buyer or its designee.

(b) If Originator fails to perform any of its obligations hereunder, Buyer (or its assigns) may (but shall not be required to) perform, or cause performance of, such obligations, and Buyer's (or such assigns') costs and expenses incurred in connection therewith shall be payable by Originator as provided in Section 6.2. Originator irrevocably authorizes Buyer (and its assigns) at any time and from time to time in the sole discretion of Buyer (or its assigns), and appoints Buyer (and its assigns) as its attorney(ies)-in-fact, to act on behalf of Originator (i) to authorize on behalf of Originator as debtor and to file financing or continuation statements (and amendments thereto and assignments thereof) necessary or desirable in Buyer's (or its assigns') sole discretion to perfect and to maintain the perfection and priority of the interest of Buyer in the Receivables and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Receivables as a financing statement in such offices as Buyer (or its assigns) in their sole discretion deem necessary or desirable to perfect and to maintain the perfection and priority of Buyer's interests in the Receivables. This appointment is coupled with an interest and is irrevocable. The authorization by Originator set forth in the second sentence of this Section 7.3(b) is intended to meet all requirements for authorization by a debtor under Article 9 of any applicable enactment of the UCC, including, without limitation, Section 9-509 thereof.

7.4 Confidentiality.

(a) Originator shall maintain and shall cause each of its employees and officers to maintain the confidentiality of this Agreement, except as required by law, and the other confidential or proprietary information with respect to the Agent and each Purchaser and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that Originator and its officers and employees may disclose such information to Originator's external accountants and attorneys and as required by any applicable law or order of any judicial or administrative proceeding.

(b) Anything herein to the contrary notwithstanding, Originator hereby consents to the disclosure of any nonpublic information with respect to it (i) to Buyer, the Agent, the Financial Institutions or Companies by each other, (ii) by Buyer, the Agent or the Purchasers to any prospective or actual assignee or participant of any of them and (iii) by the Agent or any Purchaser to any rating agency, Funding Source, Commercial Paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to any Company or any entity organized for the purpose of purchasing, or making loans secured by, financial assets for which the Agent or any Financial Institution acts as the administrative agent and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing. In addition, the Purchasers and the Agent may disclose any such nonpublic information pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

(c) Buyer shall maintain and shall cause each of its employees and officers to maintain the confidentiality of this Agreement, except as required by law, and the other confidential or proprietary information with respect to Originator, the Obligors and their respective businesses obtained by it in connection with the due diligence evaluations, structuring, negotiating and execution of the Transaction Documents, and the consummation of the transactions contemplated herein and any other activities of Buyer arising from or related to the transactions contemplated herein provided, however, that each of Buyer and its employees and officers shall be permitted to disclose such confidential or proprietary information: (i) to the Agent and the other Purchasers, (ii) to any prospective or actual assignee or participant of the Agent or the other Purchasers who execute a confidentiality agreement for the benefit of Originator and Buyer on terms comparable to those required of Buyer hereunder with respect to such disclosed information, (iii) to any rating agency, provider of a surety, guaranty or credit or liquidity enhancement to any Company, (iv) to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, and (v) to the extent required pursuant to any applicable law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings with competent jurisdiction (whether or not having the force or effect of law) so long as such required disclosure is made under seal to the extent permitted by applicable law or by rule of court or other applicable body.

(d) Anything herein to the contrary notwithstanding, Buyer, Originator, each Indemnified Party and any successor or assign of any of the foregoing (and each employee, representative or other agent of any of the foregoing) may disclose to any and all Persons, without limitation of any kind, the "tax treatment" and "tax structure" (in each case, within the meaning of U.S. Treasury Regulation § 1.6011-4) of the transactions contemplated herein and all materials of any kind (including opinions or other tax analyses) that are or have been provided to any of the foregoing relating to such tax treatment or tax structure, and it is hereby confirmed that each of the foregoing have been so authorized since the commencement of discussions regarding the transactions.

7.5 Bankruptcy Petition.

(a) Originator and Buyer each hereby covenants and agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of any Company or any Funding Source that is a special purpose bankruptcy remote entity, it will

not institute against, or join any other Person in instituting against, any Company or any such entity any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

(b) Originator covenants and agrees that, prior to the date that is one year and one day after the payment in full of all outstanding obligations of Buyer under the Purchase Agreement, it will not institute against, or join any other Person in instituting against, Buyer any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

7.6 Limitation of Liability. Except with respect to any claim arising out of the willful misconduct or gross negligence of any Company, the Agent or any Financial Institution, no claim may be made by Originator or any other Person against any Company, the Agent or any Financial Institution or their respective Affiliates, directors, officers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and Originator hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

7.7 CHOICE OF LAW. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

7.8 CONSENT TO JURISDICTION. ORIGINATOR HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK COUNTY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY DOCUMENT EXECUTED BY ORIGINATOR PURSUANT TO THIS AGREEMENT AND ORIGINATOR HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF BUYER (OR ITS ASSIGNS) TO BRING PROCEEDINGS AGAINST ORIGINATOR IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY ORIGINATOR AGAINST BUYER (OR ITS ASSIGNS) OR ANY AFFILIATE THEREOF INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR ANY DOCUMENT EXECUTED BY ORIGINATOR PURSUANT TO THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK COUNTY, NEW YORK.

7.9 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR

INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT, ANY DOCUMENT EXECUTED BY ORIGINATOR PURSUANT TO THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER.

7.10 Integration; Binding Effect; Survival of Terms.

(a) This Agreement and each other Transaction Document contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.

(b) This Agreement shall be binding upon and inure to the benefit of Originator, Buyer and their respective successors and permitted assigns (including any trustee in bankruptcy). Originator may not assign any of its rights and obligations hereunder or any interest herein without the prior written consent of Buyer. Buyer may assign at any time its rights and obligations hereunder and interests herein to any other Person without the consent of Originator. Without limiting the foregoing, Originator acknowledges that Buyer, pursuant to the Purchase Agreement, may assign to the Agent, for the benefit of the Purchasers, its rights, remedies, powers and privileges hereunder and that the Agent may further assign such rights, remedies, powers and privileges to the extent permitted in the Purchase Agreement. Originator agrees that the Agent, as the assignee of Buyer, shall, subject to the terms of the Purchase Agreement, have the right to enforce this Agreement and to exercise directly all of Buyer's rights and remedies under this Agreement (including, without limitation, the right to give or withhold any consents or approvals of Buyer to be given or withheld hereunder) and Originator agrees to cooperate fully with the Agent in the exercise of such rights and remedies. This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms and shall remain in full force and effect until terminated in accordance with its terms; provided, however, that the rights and remedies with respect to (i) any breach of any representation and warranty made by Originator pursuant to Article II; (ii) the indemnification and payment provisions of Article VI; and (iii) Section 7.5 shall be continuing and shall survive any termination of this Agreement.

7.11 Counterparts; Severability; Section References. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Unless otherwise expressly indicated, all references herein to "Article," "Section," "Schedule" or "Exhibit" shall mean articles and sections of, and schedules and exhibits to, this Agreement.

7.12 Subordination. Originator shall have the right to receive, and Buyer shall make, any and all payments relating to any indebtedness, obligation or claim, Originator may from time to time hold or otherwise have against Buyer or any assets or properties of Buyer, whether

arising hereunder or otherwise existing, provided that, after giving effect to any such payment, the aggregate Outstanding Balance of Receivables owned by Buyer at such time exceeds the sum of (a) the Aggregate Unpaid under the Purchase Agreement, plus (b) the aggregate outstanding principal balance of the Subordinated Loans. Originator hereby agrees that at any time during which the condition set forth in the proviso of the immediately preceding sentence shall not be satisfied, Originator shall be subordinate in right of payment to the prior payment of any indebtedness or obligation of Buyer owing to the Agent or any Purchaser under the Purchase Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

AVNET, INC.

By: _____
Name:
Title:

Address: 2211 South 47th Street
Phoenix, Arizona 85034
Attention: President

Fax: (480) 643-7199

AVNET RECEIVABLES CORPORATION

By: _____
Name:
Title:

Address: 2211 South 47th Street
Phoenix, Arizona 85034
Attention: President

Fax: (480) 643-7199

Exhibit I

Definitions

This is Exhibit I to the Agreement (as hereinafter defined). As used in the Agreement and the Exhibits, Schedules and Annexes thereto, capitalized terms have the meanings set forth in this Exhibit I (such meanings to be equally applicable to the singular and plural forms thereof). If a capitalized term is used in the Agreement, or any Exhibit, Schedule or Annex thereto, and not otherwise defined therein or in this Exhibit I, such term shall have the meaning assigned thereto in Exhibit I to the Purchase Agreement.

"Agent" has the meaning set forth in the Preliminary Statements to the Agreement.

"Agreement" means the Receivables Sale Agreement, dated as of June 28, 2001 between Originator and Buyer, as the same may be amended, restated or otherwise modified.

"Buyer" has the meaning set forth in the preamble to the Agreement.

"Calculation Period" means each calendar month or portion thereof which elapses during the term of the Agreement. The first Calculation Period shall commence on the date of the Purchase of Receivables hereunder and the final Calculation Period shall terminate on the Termination Date.

"Change of Control" means the acquisition by any Person, or two or more Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 20% or more of the outstanding shares of voting stock of Originator.

"Company." has the meaning set forth in the Preliminary Statements to the Agreement.

"Credit and Collection Policy." means (i) with respect to the Receivables originated by Originator, the credit and collection policies and practices relating to Contracts and Receivables summarized in Exhibit V to this Agreement, as modified from time to time in accordance with this Agreement and the Purchase Agreement and (ii) with respect to the Receivables originated by the Subsidiary Originator, the credit and collection policies and practices relating to Contracts and Receivables summarized in Exhibit IV to the Subsidiary Receivables Sale Agreement, as modified from time to time in accordance with the Subsidiary Receivables Sale Agreement, this Agreement and the Purchase Agreement.

"Default Fee" means a per annum rate of interest equal to the sum of (i) the Prime Rate, plus (ii) 2% per annum.

"Dilutions" means, at any time, the aggregate amount of reductions or cancellations described in Section 1.3(a) of the Agreement.

"Discount Factor" means a percentage calculated to provide Buyer with a reasonable return on its investment in the Receivables after taking account of (i) the time value of money based upon the anticipated dates of collection of the Receivables and the cost to Buyer of financing its investment in the Receivables during such period and (ii) the risk of nonpayment by the Obligors. Originator and Buyer may agree from time to time to change the Discount Factor based on changes in one or more of the items affecting the calculation thereof, provided that any change to the Discount Factor shall take effect as of the commencement of a Calculation Period, shall apply only prospectively and shall not affect the Purchase Price payment made prior to the Calculation Period during which Originator and Buyer agree to make such change.

"Initial Cutoff Date" has the meaning set forth in Section 1.2(a).

"Material Adverse Effect" means a material adverse effect on (i) the financial condition or operations of Originator and its Subsidiaries, (ii) the ability of Originator to perform its obligations under the Agreement or any other Transaction Document, (iii) the legality, validity or enforceability of the Agreement or any other Transaction Document, (iv) Originator's, Buyer's, the Agent's or any Purchaser's interest in the Receivables generally or in any significant portion of the Receivables, the Related Security or Collections with respect thereto, or (v) the collectibility of the Receivables generally or of any material portion of the Receivables.

"Net Value" means, as of any date of determination, an amount equal to the sum of (i) the aggregate Outstanding Balance of the Receivables at such time, minus (ii) the sum of (A) the Aggregate Capital outstanding at such time, plus (B) the Aggregate Reserves.

"Net Worth" means as of the last Business Day of each Calculation Period preceding any date of determination, the excess, if any, of (a) the aggregate Outstanding Balance of the Receivables at such time, over (b) the sum of (i) the Aggregate Capital outstanding at such time, plus (ii) the aggregate outstanding principal balance of the Subordinated Loans (including any Subordinated Loan proposed to be made on the date of determination).

"Original Balance" means, with respect to any Receivable coming into existence after the Initial Cutoff Date, the Outstanding Balance of such Receivable on the date it was created.

"Originator" has the meaning set forth in the preamble to the Agreement.

"Potential Termination Event" means an event which, with the passage of time or the giving of notice, or both, would constitute a Termination Event.

"Purchase" means the purchase pursuant to Section 1.1(a) of the Agreement by Buyer from Originator of the Receivables and the Related Security and Collections related thereto, together with all related rights in connection therewith.

"Purchase Agreement" has the meaning set forth in the Preliminary Statements to the Agreement.

"Purchase Price" means, with respect to the Purchase, the aggregate price to be paid by Buyer to Originator for such Purchase in accordance with Section 1.2 of the Agreement for the Receivables, Collections and Related Security being sold to Buyer, which price shall equal on any

date (i) the product of (x) the Outstanding Balance of such Receivables on such date, multiplied by (y) one minus the Discount Factor in effect on such date, minus (ii) any Purchase Price Credits to be credited against the Purchase Price otherwise payable in accordance with Section 1.3 of the Agreement.

"Purchase Price Credit" has the meaning set forth in Section 1.3 of the Agreement.

"Receivable" means all indebtedness and other obligations owed to any Originating Entity (at the time it arises, and before giving effect to any transfer or conveyance under the Agreement or the Subsidiary Receivables Sale Agreement) or Buyer (after giving effect to the transfers under the Agreement) or in which any Originating Entity or Buyer has a security interest or other interest (including, without limitation, any indebtedness, obligation or interest constituting an account, chattel paper, instrument or general intangible), arising in connection with the sale of merchandise or the rendering of services by any Originating Entity, and further includes, without limitation, the obligation to pay any Finance Charges with respect thereto; provided, that 'Receivable' shall not include any Excluded Receivable. Indebtedness and other rights and obligations arising from any one transaction, including, without limitation, indebtedness and other rights and obligations represented by an individual invoice, shall constitute a Receivable separate from a Receivable consisting of the indebtedness and other rights and obligations arising from any other transaction; provided, that any indebtedness, rights or obligations referred to in the immediately preceding sentence shall be a Receivable regardless of whether the account debtor or Originator treats such indebtedness, rights or obligations as a separate payment obligation.

"Related Security." means, with respect to any Receivable:

(i) all of Originator's interest in the inventory and goods (including returned or repossessed inventory or goods), if any, the sale of which by any Originating Entity gave rise to such Receivable (including as a result of related financing arrangements), and all insurance contracts with respect thereto,

(ii) except to the extent prohibited by the terms of any Contract (unless, and to the extent, such prohibition is rendered ineffective by law, including, without limitation, statutory authority), all other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all financing statements and security agreements describing any collateral securing such Receivable,

(iii) except to the extent prohibited by the terms of any Contract (unless, and to the extent, such prohibition is rendered ineffective by law, including, without limitation, statutory authority), all guaranties, letters of credit, insurance, "supporting obligations" (within the meaning of Section 9-102(a) of the UCC of all applicable jurisdictions), and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise,

(iv) except to the extent prohibited by the terms of any Contract (unless, and to the extent, such prohibition is rendered ineffective by law, including, without limitation, statutory authority), all service contracts and other contracts and agreements associated with such Receivable,

(v) all Records related to such Receivable,

(vi) all of Originator's right, title and interest in, to and under the Subsidiary Receivables Sale Agreement,

(vii) all of Originator's right, title and interest in, to and under each Lock-Box, each Collection Account and each Collection Account Agreement, and

(viii) all proceeds of any of the foregoing.

"Required Capital Amount" means, as of any date of determination, an amount equal to the sum of (i) the twenty-four month rolling average of Dilutions, plus (ii) the result obtained in the foregoing clause (i) of this definition, multiplied by 10%.

"Revised Article 9" means the 1999 Official Text of Article 9 of the Uniform Commercial Code with conforming amendments to Articles 1, 2, 2a, 4, 5, 6, 7 and 8 until such time as a version of such Official Text is adopted in the State of New York and subsequent thereto shall mean the version of such Official Text as adopted.

"RSA Amendment" means that certain Amendment No. 1 to Receivables Sale Agreement, dated as of February 6, 2002, between Originator and Buyer.

"Settlement Date" means, with respect to each Calculation Period, the date that is the 20th calendar day of the month following such Calculation Period.

"Subordinated Loan" has the meaning set forth in Section 1.2(a) of the Agreement.

"Subordinated Note" means a promissory note in substantially the form of Exhibit VII hereto as more fully described in Section 1.2 of the Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Subscription Agreement" means that certain Stockholder and Subscription Agreement, dated as of June 28, 2001, between Originator and Buyer, substantially in the form of Exhibit VI hereto.

"Subsidiary Originator" means, AVT Technology Solutions LLC, a Delaware limited liability company, in its capacity as seller under the Subsidiary Receivables Sale Agreement.

"Subsidiary Receivables Sale Agreement" means that certain Receivables Sale Agreement, dated as of December 30, 2016, between the Subsidiary Originator, as seller, and Originator, as buyer, pursuant to which the Subsidiary Originator sells and assigns to Originator,

and Originator purchases from the Subsidiary Originator the Receivables originated by the Subsidiary Originator.

"Termination Date" means the earliest to occur of (i) the Facility Termination Date, (ii) the Business Day immediately prior to the occurrence of a Termination Event set forth in Section 5.1(d), (iii) the Business Day specified in a written notice from Buyer to Originator following the occurrence of any other Termination Event, and (iv) the date which is thirty (30) Business Days after Buyer's receipt of written notice from Originator that it wishes to terminate the facility evidenced by this Agreement.

"Termination Event" has the meaning set forth in Section 5.1 of the Agreement.

"Transaction Documents" means, collectively, this Agreement, the RSA Amendment, each Collection Account Agreement, the Subordinated Note, the Subscription Agreement and all other instruments, documents and agreements executed and delivered in connection herewith.

All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9. All section references herein to the UCC shall include all successor sections under any subsequent version or amendment to any Article of the UCC.

Exhibit II

Places of Business; Jurisdictions of Organization and Chief Executive Offices;
Locations of Records; Organizational Number(s);
Federal Employer Identification Numbers(s); Other Names

Principal Place of Business: Avnet, Inc.
2211 South 47th Street
Phoenix, Arizona 85034

Jurisdictions of Organization: New York

Chief Executive Offices: 2211 South 47th Street
Phoenix, Arizona 85034

Location(s) of Records: 2211 South 47th Street
Phoenix, Arizona 85034

8700 S. Price Road
Tempe, Arizona 85284

Organizational Number: None

Federal Employer
Identification Number: 11-1890605

Other Names: Not applicable

Exhibit III

Lock-boxes; Collection Accounts; Collection Banks

Lock-Box	Related Collection Account	Related Originating Entity
1. Bank of America, N.A. Ms. Cindy Hastings 555 S. Flower Street, 3rd Floor Los Angeles, California 90071 <u>Lock-Boxes</u> P.O. Box 847722 Dallas, Texas 75202-7722	Deposit Account Number: 3752134661	Avnet, Inc.
2. JPMorgan Chase Bank, N.A. Carol Willoughby 560 Mission Street, Floor 03 San Francisco, CA, 94105-2907 <u>Lock-Boxes</u> P.O. Box #100340 Pasadena, California 91189-0340 P.O. Box #70390 Chicago, Illinois 60673-0390	Lock-Box Account No.: 59-37116	Avnet, Inc.
3. JPMorgan Chase Bank, N.A. Carol Willoughby 560 Mission Street, Floor 03 San Francisco, CA, 94105-2907 <u>Lock-Boxes</u> P.O. Box 101881 Pasadena, CA 91189-1881 Box #29160	Account Number: 100052874	AVT Technology Solutions LLC

	29160 Network Place Chicago, IL 60673-1160		
4.	Bank of America, N.A. Ms. Cindy Hastings 555 S. Flower Street, 3rd Floor Los Angeles, CA 90071 <u>Lock-Box</u> P. O. Box 844144 Dallas, TX 75284-4144	Account Number: 4451203452	AVT Technology Solutions LLC

Exhibit IV

Form of Compliance Certificate

This Compliance Certificate is furnished pursuant to that certain Receivables Sale Agreement dated as of June 28, 2001, between Avnet, Inc. ("Originator") and Avnet Receivables Corporation (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Agreement"). Capitalized terms used and not otherwise defined herein are used with the meanings attributed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of Originator.
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of Originator and its Subsidiaries during the accounting period covered by the attached financial statements.
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Termination Event or a Potential Termination Event during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below.
4. Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which Originator has taken, is taking, or proposes to take with respect to each such condition or event:
5. As of the date hereof, the jurisdiction of organization of Originator is New York, Originator is a "registered organization" (within the meaning of Section 9-102 of the UCC in effect in New York), and Originator has not changed its jurisdiction of organization since June 28, 2001.

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this ____ day of ____, 20__.

Name

Exhibit V

Credit and Collection Policy

Exh. V-1

Exhibit VI

Form of Subscription Agreement

STOCKHOLDER AND SUBSCRIPTION AGREEMENT

THIS STOCKHOLDER AND SUBSCRIPTION AGREEMENT (this "Agreement"), dated as of _____, 2001, is entered into by and between Avnet Receivables Corporation, a Delaware Corporation ("SPV") and Avnet, Inc., a New York corporation ("Parent"). Except as otherwise specifically provided herein, capitalized terms used in this Agreement have the meanings ascribed thereto in the Receivables Sale Agreement, dated as of even date herewith, between SPV and Parent (as amended, restated, supplemented or otherwise modified from time to time, the "Sale Agreement").

RECITALS

A. SPV has been organized under the laws of the State of Delaware for the purpose of, among other things, purchasing, holding, financing, receiving and transferring accounts receivable and related assets originated or otherwise or acquired held by Parent.

B. Contemporaneously with the execution and delivery of this Agreement: (i) Parent and SPV have entered into the Sale Agreement pursuant to which Parent has sold, subject to the terms and conditions thereof, all of its Receivables, and the Collections and Related Security with respect thereto to SPV; and (ii) SPV, Parent, as Servicer, certain financial institutions party thereto as "Purchasers," and Bank One, NA (Main Office Chicago), as the "Agent," have entered into a Receivables Purchase Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement") pursuant to which SPV will sell "Purchaser Interests" to the Agent for the benefit of the Purchasers.

C. SPV desires to sell shares of its capital stock to Parent, and Parent desires to purchase such shares, on the terms set forth in this Agreement.

NOW, THEREFORE, SPV and Parent agree as follows:

1. Purchase and Sale of Capital Stock. Parent hereby purchases from SPV, and SPV hereby sells to Parent, [500] shares of common stock, par value [\$0.01] per share, of SPV (the "Common Stock") for the Stock Purchase Price set forth in Section 2(a). The shares of Common Stock being purchased under this Agreement are referred to herein as the "Shares." Within three (3) Business Days from the date hereof, SPV shall deliver to Parent a certificate registered in Parent's name representing the Shares.

2. Consideration for Shares and Capital Contributions.

(a) Consideration for Shares. To induce SPV to enter into the Sale Agreement and to enable SPV to fund its obligations thereunder by consummating the transactions contemplated by the Purchase Agreement, and in reliance upon the representations and warranties set forth herein, Parent hereby pays to SPV on the date hereof the sum of [\$_____] (the "Stock Purchase Price") in consideration of the purchase of the Shares. The Stock Purchase Price shall take the form of a transfer of cash, except that Parent may, in lieu of cash payment of the Stock Purchase Price, offset the amount of the Stock Purchase Price against the purchase price otherwise payable by SPV to Parent on the purchase date pursuant to the Sale Agreement.

(b) Contributions After Initial Closing Date. From time to time Parent may make additional capital contributions to SPV. All such contributions shall take the form of a cash transfer, except that SPV agrees to, in lieu of cash payment thereof, offset the amount of such contributions against the purchase price for Receivables otherwise payable by SPV to Parent on the date of such capital contributions. All of the Receivables so paid for through such offset shall constitute purchased Receivables within the meaning of the Sale Agreement and shall be subject to all of the representations, warranties and indemnities otherwise made thereunder. It is expressly understood and agreed that Parent has no obligations under this Agreement or otherwise to make any capital contributions from and after payment of the Stock Purchase Price.

3. Representations and Warranties of SPV. SPV represents and warrants to Parent as follows:

(a) SPV is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to carry on its business as proposed to be conducted on the date hereof.

(b) SPV has all requisite legal and corporate power to enter into this Agreement, to issue the Shares and to perform its other obligations under this Agreement.

(c) Upon receipt by SPV of the Stock Purchase Price and the issuance of the Shares to Parent, the Shares will be duly authorized, validly issued, fully paid and nonassessable.

(d) SPV has taken all corporate action necessary for its authorization, execution and delivery of, and, its performance under, this Agreement.

(e) This Agreement constitutes a legally valid and binding obligation of SPV, enforceable against SPV in accordance with its terms, except that enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(f) SPV has filed its Certificate of Incorporation in the form attached hereto as Annex A with the Secretary of State of Delaware and (ii) adopted By-laws in the form attached hereto as Annex B.

(g) The issuance of the Shares by SPV hereunder is legally permitted by all laws and regulations to which SPV is subject.

4. Representations and Warranties of Parent. Parent represents and warrants to SPV as follows:

(a) Parent is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New York, and has all requisite corporate power and authority to carry on its business as conducted on the date hereof.

(b) Parent has all requisite legal and corporate power to enter into this Agreement, to purchase the Shares and to perform its other obligations under this Agreement.

(c) Parent has taken all corporate action necessary for its authorization, execution and delivery of, and its performance under, this Agreement.

(d) This Agreement constitutes a legally valid and binding obligation of Parent, enforceable against Parent in accordance with its terms, except that enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) Parent is purchasing the Shares for investment for its own account, not as a nominee or agent, and not with a view to any distribution of any part thereof. Parent has no current intention of selling, granting a participation in, or otherwise distributing, the Shares.

(f) Parent understands that the Shares have not been registered under the Securities Act of 1933, as amended, or under any other Federal or state law, and that SPV does not contemplate such a registration.

(g) Parent has such knowledge, sophistication and experience in financial and business matters that it is capable of evaluating the merits and risks of the transactions contemplated by this Agreement, and has made such investigations in connection herewith as have been deemed necessary or desirable to make such evaluation.

(h) The purchase of the Shares by Parent is legally permitted by all laws and regulations to which Parent is subject.

5. Restrictions on Transfer Imposed by the Act; Legend.

(a) Legend. Each certificate representing any Shares shall be endorsed with the following legend:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE NOT REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES ACT. SUCH SECURITIES SHALL NOT BE SOLD, PLEDGED, HYPOTHECATED, DONATED OR OTHERWISE TRANSFERRED OR DISPOSED OF ABSENT SUCH REGISTRATION, UNLESS, IN THE OPINION OF

THE CORPORATION'S COUNSEL, SUCH REGISTRATION IS NOT REQUIRED. IN ADDITION, THESE SECURITIES HAVE BEEN ISSUED OR SOLD IN RELIANCE ON SECTION 4(2) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

(b) Registration of Transfers. SPV need not register a transfer of any Shares unless the conditions specified in the legend set forth in Section 5(a) hereof are satisfied. SPV may also instruct its transfer agent (which may be SPV) not to register the transfer of any Shares unless the conditions specified in the legend set forth in Section 5(a) hereof are satisfied.

6. Agreement to Vote. Parent hereby agrees and covenants to vote all of the shares of Common Stock now or hereafter owned by it, whether beneficially or otherwise, as is necessary at a meeting of stockholders of SPV, or by written consent in lieu of any such meeting, to cause to be elected to, and maintained on, SPV's board of directors at least one (1) person meeting the qualifications of an Independent Director and selected in accordance with the provisions of the Certificate of Incorporation and By-Laws of SPV.

7. Successors and Assigns. Each party agrees that it will not assign, sell, transfer, delegate, or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any right or obligation under this Agreement except in connection with a transfer of Shares in compliance with the terms and conditions hereof, as contemplated by Section 5(b) above, or otherwise in accordance with the terms hereof. Any purported assignment, transfer or delegation in violation of this Section 7 shall be null and void ab initio. Subject to the foregoing limits on assignment and delegation and except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legatees, executors, administrators, assignees and legal successors.

8. Amendments and Waivers. Any term hereof may be amended and the observance of any term hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of SPV and Parent. Any amendment or waiver so effected shall be binding upon SPV and Parent.

9. Further Acts. Each party agrees to perform any further acts and execute and deliver any document which may be reasonably necessary to carry out the provisions of this Agreement.

10. Counterparts. This Agreement may be executed in any number of counterparts, and all of such counterparts together will be deemed one instrument.

11. Notices. Any and all notices, acceptances, statements and other communications to Parent in connection herewith shall be in writing, delivered personally, by facsimile or certified mail, return receipt requested, and shall be addressed to the address of Parent indicated on the stock transfer register of SPV or, if no address is so indicated, to the address provided to SPV pursuant to the Sale Agreement unless changed by written notice to SPV or its successor.

12. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

13. Entire Agreement. This Agreement, together with the Sale Agreement and the documents expressly to be delivered in connection therewith, constitute the entire understanding and agreement between the parties hereto with subject matter hereof and thereof.

14. Severability of this Agreement. In case any provision of this Agreement shall be invalid or unenforceable, the validity, legality and enforceability of the remaining shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

AVNET RECEIVABLES CORPORATION,

By: _____
Name:
Title:

AVNET, INC.

By: _____
Name:
Title:

Exh. VI-6

Certificate of Incorporation

Exh. VI-7

Annex B to Subscription Agreement

By-Laws

Exh. VI-8

Exhibit VII

Form of Subordinated Note

SUBORDINATED NOTE

_____, 200

1. **Note.** FOR VALUE RECEIVED, the undersigned, AVNET RECEIVABLES CORPORATION, a Delaware corporation ("**SPV**"), hereby unconditionally promises to pay to the order of AVNET, INC., a New York corporation ("**Originator**"), in lawful money of the United States of America and in immediately available funds, on the date following the Termination Date which is one year and one day after the date on which (i) the Outstanding Balance of all Receivables sold under the "Sale Agreement" referred to below has been reduced to zero and (ii) Originator has paid to the Buyer all indemnities, adjustments and other amounts which may be owed thereunder in connection with the Purchases (the "**Collection Date**"), the aggregate unpaid principal sum outstanding of all "Subordinated Loans" made from time to time by Originator to SPV pursuant to and in accordance with the terms of that certain Receivables Sale Agreement dated as of _____, ____ between Originator and SPV (as amended, restated, supplemented or otherwise modified from time to time, the "**Sale Agreement**"). Reference to **Section 1.2** of the Sale Agreement is hereby made for a statement of the terms and conditions under which the loans evidenced hereby have been and will be made. All terms which are capitalized and used herein and which are not otherwise specifically defined herein shall have the meanings ascribed to such terms in the Sale Agreement.

2. **Interest.** SPV further promises to pay interest on the outstanding unpaid principal amount hereof from the date hereof until payment in full hereof at a rate equal to the Base Rate; **provided, however,** that if SPV shall default in the payment of any principal hereof, SPV promises to pay, on demand, interest at the rate of the Base Rate plus 2.00% per annum on any such unpaid amounts, from the date such payment is due to the date of actual payment. Interest shall be payable on the first Business Day of each month in arrears; **provided, however,** that SPV may elect on the date any interest payment is due hereunder to defer such payment and upon such election the amount of interest due but unpaid on such date shall constitute principal under this Subordinated Note. The outstanding principal of any loan made under this Subordinated Note shall be due and payable on the Collection Date and may be repaid or prepaid at any time without premium or penalty.

3. **Principal Payments.** Originator is authorized and directed by SPV to enter on the grid attached hereto, or, at its option, in its books and records, the date and amount of each loan made by it which is evidenced by this Subordinated Note and the amount of each payment of principal made by SPV, and absent manifest error, such entries shall constitute prima facie evidence of the accuracy of the information so entered; **provided** that neither the failure of Originator to make any such entry or any error therein shall expand, limit or affect the obligations of SPV hereunder.

4. **Subordination.** Originator shall have the right to receive, and SPV shall make, any and all payments relating to the loans made under this Subordinated Note **provided** that,

after giving effect to any such payment, the aggregate Outstanding Balance of Receivables (as each such term is defined in the Receivables Purchase Agreement hereinafter referred to) owned by SPV at such time exceeds the sum of (a) the Aggregate Unpaid (as defined in the Receivables Purchase Agreement) outstanding at such time under the Receivables Purchase Agreement, plus (b) the aggregate outstanding principal balance of all loans made under this Subordinated Note. Originator hereby agrees that at any time during which the conditions set forth in the proviso of the immediately preceding sentence shall not be satisfied, Originator shall be subordinate in right of payment to the prior payment of any indebtedness or obligation of SPV owing to the Agent or any Purchaser under that certain Receivables Purchase Agreement dated as of _____, by and among SPV, Originator, as Servicer, various "Purchasers" from time to time party thereto, and Bank One, NA (Main Office Chicago), as the "Agent" (as amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"). The subordination provisions contained herein are for the direct benefit of, and may be enforced by, the Agent and the Purchasers and/or any of their respective assignees (collectively, the "Senior Claimants") under the Purchase Agreement. Until the date on which all "Capital" outstanding under the Purchase Agreement has been repaid in full and all other obligations of SPV and/or the Servicer thereunder and under the "Fee Letter" referenced therein (all such obligations, collectively, the "Senior Claim") have been indefeasibly paid and satisfied in full, Originator shall not institute against SPV any proceeding of the type described in Section 5.1(d) of the Sale Agreement unless and until the Collection Date has occurred. Should any payment, distribution or security or proceeds thereof be received by Originator in violation of this Section 4, Originator agrees that such payment shall be segregated, received and held in trust for the benefit of, and deemed to be the property of, and shall be immediately paid over and delivered to the Agent for the benefit of the Senior Claimants.

5. Bankruptcy; Insolvency. Upon the occurrence of any proceeding of the type described in Section 5.1(d) of the Sale Agreement involving SPV as debtor, then and in any such event the Senior Claimants shall receive payment in full of all amounts due or to become due on or in respect of the Aggregate Capital and the Senior Claim (including "CP Costs" and "Yield" as defined and as accruing under the Purchase Agreement after the commencement of any such proceeding, whether or not any or all of such CP Costs or Yield is an allowable claim in any such proceeding) before Originator is entitled to receive payment on account of this Subordinated Note, and to that end, any payment or distribution of assets of SPV of any kind or character, whether in cash, securities or other property, in any applicable insolvency proceeding, which would otherwise be payable to or deliverable upon or with respect to any or all indebtedness under this Subordinated Note, is hereby assigned to and shall be paid or delivered by the Person making such payment or delivery (whether a trustee in bankruptcy, a receiver, custodian or liquidating trustee or otherwise) directly to the Agent for application to, or as collateral for the payment of, the Senior Claim until such Senior Claim shall have been paid in full and satisfied.

6. Amendments. Prior to the indefeasible payment of the Aggregate Unpaid, this Subordinated Note shall not be amended or modified without the prior written consent of the Agent for the benefit of the Purchasers.

7. **GOVERNING LAW. THIS SUBORDINATED NOTE HAS BEEN MADE AND DELIVERED AT NEW YORK, NEW YORK, AND SHALL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO**

DETERMINED IN ACCORDANCE WITH THE LAWS AND DECISIONS OF THE STATE OF NEW YORK. WHEREVER POSSIBLE EACH PROVISION OF THIS SUBORDINATED NOTE SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS SUBORDINATED NOTE SHALL BE PROHIBITED BY OR INVALID UNDER APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS SUBORDINATED NOTE.

8. Waivers. All parties hereto, whether as makers, endorsers, or otherwise, severally waive presentment for payment, demand, protest and notice of dishonor. Originator additionally expressly waives all notice of the acceptance by any Senior Claimant of the subordination and other provisions of this Subordinated Note and expressly waives reliance by any Senior Claimant upon the subordination and other provisions herein provided.

9. Assignment. This Subordinated Note may not be assigned, pledged or otherwise transferred to any party other than Originator without the prior written consent of the Agent, and any such attempted transfer shall be void.

AVNET RECEIVABLES CORPORATION,

By: _____
Name: _____
Title: _____

Schedule
to
SUBORDINATED NOTE

SUBORDINATED LOANS AND PAYMENTS OF PRINCIPAL

<u>Date</u>	<u>Amount of Subordinated Loan</u>	<u>Amount of Principal Paid</u>	<u>Unpaid Principal Balance</u>	<u>Notation made by</u>

Schedule A

DOCUMENTS TO BE DELIVERED TO BUYER
ON OR PRIOR TO THE PURCHASE

SEE PART I OF SCHEDULE B TO THE PURCHASE AGREEMENT.

**AMENDMENT NO. 10 TO
SECOND AMENDED AND RESTATED RECEIVABLES PURCHASE AGREEMENT**

This Amendment No. 10 to Second Amended and Restated Receivables Purchase Agreement (this “Amendment”) is dated as of December 30, 2016, among Avnet Receivables Corporation, a Delaware corporation (“Seller”), Avnet, Inc., a New York corporation (“Avnet”), as initial Servicer (the Servicer together with Seller, the “Seller Parties” and each a “Seller Party”), each of the entities party hereto identified as a “Financial Institution” (together with any of their respective successors and assigns hereunder, the “Financial Institutions”), each of the entities party hereto identified as a “Company” (together with any of their respective successors and assigns hereunder, the “Companies”) and JPMorgan Chase Bank, N.A. (successor by merger to Bank One, NA (Main Office Chicago)), as agent for the Purchasers or any successor agent hereunder (together with its successors and assigns hereunder, the “Agent”), amending the Second Amended and Restated Receivables Purchase Agreement, dated as of August 26, 2010, as amended by Amendment No. 1 thereto, dated as of December 28, 2010, Amendment No. 2 thereto, dated as of August 25, 2011, Amendment No. 3 thereto, dated as of March 7, 2012, Amendment No. 4 thereto, dated as of August 23, 2012, Amendment No. 5 thereto, dated as of August 22, 2013, Amendment No. 6 thereto, dated as of August 21, 2014, Amendment No. 7 thereto, dated as of May 22, 2015, Amendment No. 8 thereto, dated as of March 16, 2016, and Amendment No. 9 thereto, dated as of August 18, 2016, each among the Seller Parties, the Financial Institutions party thereto, the Companies party thereto, and the Agent (the “Original Agreement,” and as further amended, modified or supplemented from time to time, the “Receivables Purchase Agreement”).

RECITALS

The parties hereto are the current parties to the Original Agreement and they now desire to amend the Original Agreement, subject to the terms and conditions hereof, as more particularly described herein.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Definitions Used Herein. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth for such terms in, or incorporated by reference into, the Original Agreement.

Section 2. Amendment. Subject to the terms and conditions set forth herein, the Original Agreement is hereby amended by deleting the stricken text (indicated in the same manner as the following example: ~~stricken text~~) and adding the inserted text (indicated in the same manner as the following example: inserted text) as set forth on the pages of the conformed copy of the Receivables Purchase Agreement attached as Annex A hereto.

Section 3. Conditions to Effectiveness of Amendment. This Amendment shall become effective as of the date hereof, upon the satisfaction of the conditions precedent that:

(a) Amendment. The Agent and each Seller Party shall have received, on or before the date hereof, executed counterparts of this Amendment, duly executed by each of the parties hereto.

(b) Receivables Sale Agreements. The Agent shall have received, on or before the date hereof, executed copies of (i) the Receivables Sale Agreement, by and between AVT Technology Solutions LLC ("TS Subsidiary") and Avnet (such agreement, the "TS Subsidiary RSA"), (ii) Amendment No. 10 to the Receivables Sale Agreement, by and between Avnet and Seller and (iii) Collection Account Agreements relating to each additional Collection Account added to Exhibit IV of the Receivables Purchase Agreement pursuant to this Amendment.

(c) Secretary's Certificates. The Agent shall have received, as of the date hereof, Secretary's certificates for each of Seller, Avnet and TS Subsidiary, certifying as to incumbency and certifying and attaching resolutions and organizational documents.

(d) Opinions. The Agent shall have received, as of the date hereof, favorable opinions from external legal counsel for Avnet, in form and substance reasonably acceptable to the Agent, addressing: (i) corporate and enforceability matters with respect to Seller, Avnet and TS Subsidiary; (ii) creation and perfection of the security interest granted under the TS Subsidiary RSA; and (iii) true sale matters with respect to the sale of Receivables by TS Subsidiary to Avnet and substantive non-consolidation matters with respect to TS Subsidiary and Seller.

(e) Financing Statements. The Agent shall have received, on or before the date hereof, (i) UCC search results for each of Seller, Avnet and TS Subsidiary, in each case, reflecting the absence of any claim against the Receivables and the Related Security that is prior to that of the Agent and (ii) a financing statement reflecting the security interest granted under the TS Subsidiary RSA.

(f) Representations and Warranties. As of the date hereof, both before and after giving effect to this Amendment, all of the representations and warranties of each Seller Party contained in the Original Agreement and in each other Transaction Document shall be true and correct in all material respects as though made on the date hereof (and by its execution hereof, each Seller Party shall be deemed to have represented and warranted such); it being understood that any specific occurrence or occurrences constituting breaches of any representation or warranty, to the extent waived in writing by the Financial Institutions and the Companies, ceased to constitute any such breach (solely with respect to such specific occurrence or occurrences) from and after the date of such waiver.

(g) No Amortization Event or Potential Amortization Event. As of the date hereof, both before and after giving effect to this Amendment, no Amortization Event or Potential Amortization Event shall have occurred and be continuing (and by its execution hereof, each Seller Party shall be deemed to have represented and warranted such); it being understood that any specific occurrence or occurrences constituting Amortization Events or Potential Amortization Events, to the extent waived in writing by the Financial Institutions and the Companies, ceased to constitute Amortization Events or Potential Amortization Events (solely with respect to such specific occurrence or occurrences) from and after the date of such waiver.

Section 4. Miscellaneous.

(a) Effect; Ratification. The amendment set forth herein is effective solely for the purposes set forth herein and shall be limited precisely as written, and shall not be deemed (i) to be a consent to, or an acknowledgment of, any amendment, waiver or modification of any other term or condition of the Original Agreement or of any other instrument or agreement referred to therein or (ii) to prejudice any right or remedy which the Agent, any Company or Financial Institution (or any of their respective assigns) may now have or may have in the future under or in connection with the Receivables Purchase Agreement or any other instrument or agreement referred to therein. Each reference in the Receivables Purchase Agreement to "this Agreement," "herein," "hereof" and words of like import and each reference in the other

Transaction Documents to the Original Agreement or to the "Receivables Purchase Agreement" shall mean the Original Agreement as amended hereby. This Amendment shall be construed in connection with and as part of the Receivables Purchase Agreement and all terms, conditions, representations, warranties, covenants and agreements set forth in the Receivables Purchase Agreement and each other instrument or agreement referred to therein, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

(b) Transaction Documents. This Amendment is a Transaction Document executed pursuant to the Receivables Purchase Agreement and shall be construed, administered and applied in accordance with the terms and provisions thereof.

(c) Costs, Fees and Expenses. Seller agrees to reimburse the Agent and each Purchaser and its assigns upon demand for all reasonable and documented out-of-pocket costs, fees and expenses in connection with the preparation, execution and delivery of this Amendment (including the reasonable fees and expenses of counsel to the Agent).

(d) Counterparts. This Amendment may be executed in any number of counterparts, each such counterpart constituting an original and all of which when taken together shall constitute one and the same instrument.

(e) Severability. Any provision contained in this Amendment which is held to be inoperative, unenforceable or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable or invalid without affecting the remaining provisions of this Amendment in that jurisdiction or the operation, enforceability or validity of such provision in any other jurisdiction.

(f) GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

(g) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AMENDMENT, ANY DOCUMENT EXECUTED BY ORIGINATOR PURSUANT TO THIS AMENDMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their respective duly authorized officers as of the date first written above.

AVNET RECEIVABLES CORPORATION,
as Seller

By: /s/ Kevin Moriarty
Name: Kevin Moriarty
Title: President

AVNET, INC., as Servicer

By: /s/ Kevin Moriarty
Name: Kevin Moriarty
Title: Senior Vice President, Chief Financial Officer and Assistant Secretary

Commitment: \$136,000,000

CHARIOT FUNDING LLC,
as a Company and as a Financial Institution

By: JPMorgan Chase Bank, N.A.,
its Attorney-in-Fact

By: /s/ John Lindsay
Name: John Lindsay
Title: Vice President

JPMORGAN CHASE BANK, N.A.,
as Agent

By: /s/ John Lindsay
Name: John Lindsay
Title: Vice President

LIBERTY STREET FUNDING LLC,
as a Company

By: /s/ Jill Russo
Name: Jill Russo
Title: Vice President

Commitment: \$136,000,000

THE BANK OF NOVA SCOTIA,
as a Financial Institution

By: /s/ Diane Emanuel
Name: Diane Emanuel
Title: Managing Director & Head

VICTORY RECEIVABLES CORPORATION,
as a Company

By: /s/ David V. DeAngelis
Name: David V. DeAngelis
Title: Vice President

Commitment: \$113,333,333.33

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
NEW YORK BRANCH, as a Financial Institution

By: /s/ Nicolas Mounier
Name: Nicolas Mounier
Title: Director

PNC BANK, NATIONAL ASSOCIATION,
as a Company

By: /s/ Michael Brown
Name: Michael Brown
Title: Senior Vice President

Commitment: \$111,111,111.11

PNC BANK, NATIONAL ASSOCIATION,
as a Financial Institution

By: /s/ Michael Brown
Name: Michael Brown
Title: Senior Vice President

BRANCH BANKING AND TRUST COMPANY,
as a Company

By: /s/ Thomas J. Lockwood
Name: Thomas J. Lockwood
Title: Senior Vice President

Commitment: \$66,666,666.67

BRANCH BANKING AND TRUST COMPANY,
as a Financial Institution

By: /s/ Thomas J. Lockwood
Name: Thomas J. Lockwood
Title: Senior Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Company

By: /s/ Eero Maki
Name: Eero Maki
Title: Managing Director

Commitment: \$133,333,333.33

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Financial Institution

By: /s/ Eero Maki
Name: Eero Maki
Title: Managing Director

MANHATTAN ASSET FUNDING
COMPANY LLC, as a Company

By: MAF Receivables Corp., its member

By: /s/ Irina Khaimova

Name: Irina Khaimova

Title: Vice President

SMBC NIKKO SECURITIES AMERICA, INC.,
as agent for the SMBC Company

By: /s/ Miura Makoto

Name: Miura Makoto

Title: Joint General Manager

Commitment: \$113,333,333.33

SUMITOMO MITSUI BANKING CORPORATION,
as a Financial Institution

By: /s/ David Kee

Name: David Kee

Title: Managing Director

SECOND AMENDED AND RESTATED
RECEIVABLES PURCHASE AGREEMENT

dated as of August 26, 2010

Composite Copy Through Amendment No. 10, Dated As of December 30, 2016

Among

AVNET RECEIVABLES CORPORATION, as Seller,

AVNET, INC., as Servicer,

THE COMPANIES,

THE FINANCIAL INSTITUTIONS,

and

JPMORGAN CHASE BANK, N.A.
As Agent

	Page
ARTICLE I PURCHASE ARRANGEMENTS	3
Section 1.1 Purchase Facility	3
Section 1.2 Increases	3
Section 1.3 Decreases	3
Section 1.4 Payment Requirements	4
ARTICLE II PAYMENTS AND COLLECTIONS	4
Section 2.1 Payments	4
Section 2.2 Collections Prior to Amortization	4
Section 2.3 Collections Following Amortization	5
Section 2.4 Application of Collections	5
Section 2.5 Payment Rescission	6
Section 2.6 Maximum Purchaser Interests	6
Section 2.7 Repurchase Option	6
Section 2.8 Release of Lock-Box Arrangements	6
Section 2.9 Compliance with FATCA	6
ARTICLE III COMPANY FUNDING	7
Section 3.1 CP Costs	7
Section 3.2 CP Costs Payments	7
Section 3.3 Calculation of CP Costs	7
ARTICLE IV FINANCIAL INSTITUTION FUNDING	7
Section 4.1 Financial Institution Funding	7
Section 4.2 Yield Payments	7
Section 4.3 Selection and Continuation of Tranche Periods	7
Section 4.4 Financial Institution Discount Rates	8
Section 4.5 Suspension of the LIBO Rate	8
Section 4.6 Extension of Liquidity Termination Date	8
ARTICLE V REPRESENTATIONS AND WARRANTIES	9
Section 5.1 Representations and Warranties of The Seller Parties	9
Section 5.2 Financial Institution Representations and Warranties	12
ARTICLE VI CONDITIONS OF PURCHASES	13
Section 6.1 Conditions Precedent to Amendment and Restatement	13
Section 6.2 Conditions Precedent to All Purchases and Reinvestments	13
ARTICLE VII COVENANTS	14
Section 7.1 Affirmative Covenants of The Seller Parties	14
Section 7.2 Negative Covenants of The Seller Parties	20
ARTICLE VIII ADMINISTRATION AND COLLECTION	21
Section 8.1 Designation of Servicer	21

Section 8.2	Duties of Servicer	22
Section 8.3	Collection Notices	22
Section 8.4	Responsibilities of Seller	23
Section 8.5	Reports	23
Section 8.6	Servicing Fees	23
Section 8.7	Limited Recourse to Servicer	23
Section 8.8	CRD Compliance	23
ARTICLE IX AMORTIZATION EVENTS		23
Section 9.1	Amortization Events	23
Section 9.2	Remedies	25
ARTICLE X INDEMNIFICATION		25
Section 10.1	Indemnities by The Seller Parties	25
Section 10.2	Increased Cost and Reduced Return	28
Section 10.3	Other Costs and Expenses	29
Section 10.4	Allocations	29
ARTICLE XI THE AGENT		30
Section 11.1	Authorization and Action	30
Section 11.2	Delegation of Duties	30
Section 11.3	Exculpatory Provisions	30
Section 11.4	Reliance by Agent	30
Section 11.5	Non-Reliance on Agent and Other Purchasers	30
Section 11.6	Reimbursement and Indemnification	31
Section 11.7	Agent in its Individual Capacity	31
Section 11.8	Successor Agent	31
ARTICLE XII ASSIGNMENTS; PARTICIPATIONS		31
Section 12.1	Assignments	31
Section 12.2	Participations	32
Section 12.3	Security Interests	32
ARTICLE XIII MISCELLANEOUS		33
Section 13.1	Waivers and Amendments	33
Section 13.2	Notices	34
Section 13.3	Ratable Payments	34
Section 13.4	Protection of Ownership Interests of the Purchasers	34
Section 13.5	Confidentiality	34
Section 13.6	Bankruptcy Petition	35
Section 13.7	Limitation of Liability	35
Section 13.8	CHOICE OF LAW	36
Section 13.9	CONSENT TO JURISDICTION	36
Section 13.10	WAIVER OF JURY TRIAL	39
Section 13.11	Integration; Binding Effect; Survival of Terms	36
Section 13.12	Counterparts; Severability; Section References	37

Section 13.13	JPM Chase Roles	37
Section 13.14	Characterization	37
Section 13.15	Assignments of Company Interests Under Existing Agreement	37
Section 13.16	Confirmation and Ratification of Terms	38
Section 13.17	PATRIOT Act	39

Exhibits and Schedules

Exhibit I	Definitions
Exhibit II	Form of Purchase Notice
Exhibit III	Places of Business, Jurisdictions of Organization and Chief Executive Offices of the Seller Parties; Locations of Records; Organizational Number(s); Federal Employer Identification Number(s); Other Names
Exhibit IV	Names of Collection Banks; Collection Accounts
Exhibit V	Form of Compliance Certificate
Exhibit VI	Form of Collection Account Agreement
Exhibit VII	Form of Assignment Agreement
Exhibit VIII	Credit and Collection Policy
Exhibit IX	Form of Contract(s)
Exhibit X	Form of Monthly Report
Schedule A	Commitments
Schedule B	Closing Documents
Schedule C	Computation of CP Costs

SECOND AMENDED AND RESTATED
RECEIVABLES PURCHASE AGREEMENT

This Second Amended and Restated Receivables Purchase Agreement dated as of August 26, 2010 is among Avnet Receivables Corporation, a Delaware corporation ("Seller"), Avnet, Inc., a New York corporation ("Avnet"), as initial Servicer (the Servicer together with Seller, the "Seller Parties" and each a "Seller Party"), the entities listed on Schedule A to this Agreement under the heading "Financial Institution" (together with any of their respective successors and assigns hereunder, the "Financial Institutions"), the entities listed on Schedule A to this Agreement under the heading "Company" (together with any of their respective successors and assigns hereunder, the "Companies") and JPMorgan Chase Bank, N.A. (successor by merger to Bank One, NA (Main Office Chicago)), as agent for the Purchasers hereunder or any successor agent hereunder (together with its successors and assigns hereunder, the "Agent"). Unless defined elsewhere herein, capitalized terms used in this Agreement shall have the meanings assigned to such terms in Exhibit I.

PRELIMINARY STATEMENTS

The Seller Parties, Bank One, NA (Main Office Chicago), in its capacity as a Financial Institution, Preferred Receivables Funding Corporation, in its capacity as a Company, and the Agent entered into that certain Receivables Purchase Agreement, dated as of June 28, 2001 (the "Original Agreement").

In connection with the addition of The Bank of Nova Scotia ("Scotia") as a Financial Institution and the addition of Liberty Street Funding Corp. as a Company, the Original Agreement was amended and restated on February 6, 2002 (such Original Agreement as amended and restated, and as further amended from time to time prior to the date hereof, the "Existing Agreement"). Liberty Street Funding LLC subsequently succeeded to Liberty Street Funding Corp as a Company.

Under the Existing Agreement, JPMorgan Chase Bank, N.A. succeeded to Bank One, NA (Main Office Chicago), as Agent and Financial Institution, and Chariot Funding LLC succeeded to Preferred Receivables Funding Corporation as a Company.

Under the Existing Agreement, ABN AMRO Bank N.V. and BNP Paribas, acting through its New York Branch ("BNP"), were added as Financial Institutions, and Amsterdam Funding Corporation (the "RBS Company") and Starbird Funding Corporation (the "BNP Company") were added as Companies. The Royal Bank of Scotland PLC ("RBS") subsequently succeeded to ABN AMRO Bank N.V. as Financial Institution.

In connection with the amendment and restatement of the Existing Agreement, the Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch ("BTMU") and Crédit Agricole Corporate and Investment Bank New York Branch ("CA") became party to this Agreement as Financial Institutions and Victory Receivables Corporation (the "BTMU Company") and Atlantic Asset Securitization LLC (the "CA Company") became party to this Agreement as Companies.

Pursuant to assignment agreements entered into on January 4, 2012, CA and the CA Company each ceased to be parties to this Agreement and PNC Bank, National Association ("PNC") became party to this Agreement as a Financial Institution and Market Street Funding LLC became party to this Agreement as a Company. Market Street Funding LLC subsequently assigned all of its rights and obligations as a Company hereunder to PNC Bank, National Association (in its capacity as a Company, the "PNC Company").

In connection with Amendment No. 4 to this Agreement, dated as of August 23, 2012, Bank of America, National Association ("BOFA") and Sumitomo Mitsui Banking Corporation ("SMBC") became parties to this Agreement as Financial Institutions, Bank of America, National Association (the "BOFA Company") and Manhattan Asset Funding Company LLC (the "SMBC Company") became parties to this Agreement as Companies and each of Wells, the Wells Company, RBS, the RBS Company, BNP and the BNP Company ceased to be a party to this Agreement.

In connection with Amendment No. 5 to this Agreement, dated as of August 22, 2013, Section 13.7(b) of the Existing Agreement was amended, various defined terms in the Existing Agreement were amended and the term of this Agreement was extended until August 21, 2014.

Pursuant to an assignment agreement entered into as of August 21, 2014, BOFA and the BOFA Company each ceased to be parties to this Agreement, JPM Chase assigned its rights and duties as a Financial Institution hereunder to Chariot Funding LLC ("Chariot"), Branch Banking and Trust Company ("BB&T") became a party hereto as a Financial Institution and as a Company (in the latter capacity, the "BB&T Company") and Wells Fargo Bank, National Association ("WFB") became a party hereto as a Financial Institution and as a Company (in the latter capacity, the "WFB Company"). JPM Chase continues to act as Agent hereunder and Chariot continues to be a Company hereunder.

In connection with the establishment of AVT Technology Solutions LLC, a Delaware limited liability company (the "Subsidiary Originator"), (i) the Subsidiary Originator and Originator entered into a Receivables Sale Agreement, dated as of December 30, 2016 (the "Subsidiary RSA"), pursuant to which the Subsidiary Originator sells and assigns to Originator, and Originator purchases from the Subsidiary Originator, Receivables originated by the Subsidiary Originator, and (ii) Originator and Seller entered into Amendment No. 10 to the Receivables Sale Agreement, and the parties hereto have entered into Amendment No. 10 to the Existing Agreement, in each case, to amend certain provisions therein and herein to reflect and address the establishment of the Subsidiary Originator and the origination of a portion of the Receivables by the Subsidiary Originator.

Seller desires to transfer and assign Purchaser Interests to the Purchasers from time to time.

Each Company may, in its absolute and sole discretion, purchase Purchaser Interests from Seller from time to time.

In the event that any Company declines to make any purchase, such Company's Related Financial Institution(s) shall, at the request of Seller, purchase Purchaser Interests that such Company declined to purchase from time to time.

JPMorgan Chase Bank, N.A., as successor by merger to Bank One, NA (Main Office Chicago) has been requested and is willing to act as Agent on behalf of the Companies and the Financial Institutions in accordance with the terms hereof.

The parties hereto agree as follows:

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree that, subject to satisfaction of the conditions precedent set forth in Section 6.1, the Existing Agreement is hereby amended and restated in its entirety to read as follows:

ARTICLE I
PURCHASE ARRANGEMENTS

Section 1.1 Purchase Facility. Upon the terms and subject to the conditions hereof, Seller may, at its option, sell and assign Purchaser Interests to the Agent for the benefit of one or more of the Purchasers. In accordance with the terms and conditions set forth herein, each Company may, at its option, instruct the Agent to purchase on behalf of such Company, or if any Company shall decline to purchase, the Agent shall purchase, on behalf of such declining Company's Related Financial Institutions, Purchaser Interests from time to time in an aggregate amount not to exceed at such time the lesser of (i) the Purchase Limit and (ii) the aggregate amount of the Commitments during the period from the date hereof to but not including the Facility Termination Date.

Section 1.2 Increases. Seller shall provide the Agent, by 12:00 noon (Chicago time) at least one Business Day prior to the date of each Incremental Purchase, with prior written notice in a form set forth as Exhibit II hereto of such Incremental Purchase (a "Purchase Notice"). Each Purchase Notice shall be subject to Section 6.2 hereof (and, in the case of the initial Purchase Notice, Section 6.1) and, except as set forth below, shall be irrevocable and shall specify the requested Purchase Price (which shall not be less than \$10,000,000) and date of purchase and, in the case of an Incremental Purchase to be funded by any of the Financial Institutions, the requested Discount Rate and Tranche Period. Following receipt of a Purchase Notice, the Agent will promptly notify each Company of such Purchase Notice after the Agent's receipt thereof and the Agent will identify the Companies that agree to make the purchase. If any Company declines to make a proposed purchase, Seller may cancel the Purchase Notice as to all Purchasers or, in the absence of such a cancellation, the Incremental Purchase of the Purchaser Interests, which such Company has declined to purchase, will be made by such declining Company's Related Financial Institutions in accordance with the rest of this Section 1.2. If the proposed Incremental Purchase or any portion thereof is to be made by any of the Financial Institutions, the Agent shall send notice of the proposed Incremental Purchase to the applicable Financial Institutions concurrently by telecopier, telex, cable or other electronic transmission specifying (i) the date of such Incremental Purchase, which date must be at least one Business Day after such notice is received by the applicable Financial Institutions, (ii) each Financial Institution's Pro Rata Share of the aggregate Purchase Price of the Purchaser Interests the Financial Institutions in such Financial Institution's Purchaser Group are then purchasing and (iii) the requested Discount Rate and the requested Tranche Period. On the date of each Incremental Purchase, upon satisfaction of the applicable conditions precedent set forth in Article VI and the conditions set forth in this Section 1.2, the Companies and/or the Financial Institutions, as applicable, shall deposit to the Facility Account, in immediately available funds, no later than 12:00 noon (Chicago time), an amount equal to (i) in the case of a Company that has agreed to make such Incremental Purchase, such Company's Pro Rata Share of the aggregate Purchase Price of the Purchaser Interests of such Incremental Purchase or (ii) in the case of a Financial Institution, such Financial Institution's Pro Rata Share of the aggregate Purchase Price of the Purchaser Interests the Financial Institutions in such Financial Institution's Purchaser Group are then purchasing. Each Financial Institution's Commitment hereunder shall be limited to purchasing Purchaser Interests that the Company in such Financial Institution's Purchaser Group has declined to purchase. Each Financial Institution's obligation shall be several, such that the failure of any Financial Institution to make available to Seller any funds in connection with any purchase shall not relieve any other Financial Institution of its obligation, if any, hereunder to make funds available on the date of such purchase, but no Financial Institution shall be responsible for the failure of any other Financial Institution to make funds available in connection with any purchase.

Section 1.3 Decreases. Seller shall provide the Agent with prior written notice in conformity with the Required Notice Period (a "Reduction Notice") of any proposed reduction of Aggregate Capital from Collections and the Agent will promptly notify each Purchaser of such Reduction Notice after the Agent's receipt thereof. Such Reduction Notice shall designate (i) the date (the "Proposed Reduction Date") upon which any such reduction of Aggregate Capital shall occur (which date shall give effect to the applicable Required Notice Period), and (ii) the amount of Aggregate Capital to be reduced which shall be applied ratably to the Purchaser Interests of the Companies and the Financial Institutions in accordance with the amount of Capital (if any) owing to the Companies (ratably, based on their respective Pro Rata Shares), on the one hand, and the amount of Capital (if any) owing to the Financial Institutions (ratably to each Financial Institution, based on the ratio of such Financial Institution's Capital at such time to the aggregate Capital of all of the Financial Institutions at such time), on the other hand (the "Aggregate Reduction"). Only one (1) Reduction Notice shall be outstanding at any time. Concurrently with any reduction of Aggregate Capital pursuant to this Section, Seller shall pay to the applicable Purchaser all Broken Funding Costs

arising as a result of such reduction. No Aggregate Reduction will be made following the occurrence of the Amortization Date without the consent of the Agent.

Section 1.4 Payment Requirements. All amounts to be paid or deposited by any Seller Party pursuant to any provision of this Agreement shall be paid or deposited in accordance with the terms hereof no later than 11:00 a.m. (Chicago time) on the day when due in immediately available funds, and if not received before 11:00 a.m. (Chicago time) shall be deemed to be received on the next succeeding Business Day. If such amounts are payable to a Purchaser, they shall be paid to the Agent, for the account of such Purchaser, at 10 S Dearborn Street, 16th Floor, Chicago, Illinois 60603 until otherwise notified by the Agent, and the Agent agrees to remit any such amounts received to the applicable Purchaser. If such amounts are payable to the Agent, they shall be paid to the Agent at 10 S Dearborn Street, 16th Floor, Chicago, Illinois 60603 until otherwise notified by the Agent. Upon notice to Seller, the Agent (on behalf of itself and/or any Purchaser) may debit the Facility Account for all amounts due and payable hereunder. All computations of Yield, per annum fees or discount calculated as part of any CP Costs, per annum fees hereunder and per annum fees under the Fee Letters shall be made on the basis of a year of 360 days for the actual number of days elapsed. If any amount hereunder or under any other Transaction Document shall be payable on a day which is not a Business Day, such amount shall be payable on the next succeeding Business Day.

ARTICLE II PAYMENTS AND COLLECTIONS

Section 2.1 Payments. Notwithstanding any limitation on recourse contained in this Agreement, Seller shall immediately pay to the Agent or relevant Purchaser, as applicable, when due, for the account of the Agent or the relevant Purchaser or Purchasers on a full recourse basis, (i) such fees as set forth in the Fee Letters (which fees collectively shall be sufficient to pay all fees owing to the Financial Institutions), (ii) all CP Costs, (iii) all amounts payable as Yield, (iv) all amounts payable as Deemed Collections (which shall be immediately due and payable by Seller and applied to reduce outstanding Aggregate Capital hereunder in accordance with Sections 2.2 and 2.3 hereof), (v) all amounts required pursuant to Section 2.6, (vi) all amounts payable pursuant to Article X, if any, (vii) all Servicer costs and expenses, including the Servicing Fee, in connection with servicing, administering and collecting the Receivables, (viii) all Broken Funding Costs and (ix) all Default Fees (collectively, the "Obligations"). If any Person fails to pay any of the Obligations when due, such Person agrees to pay, on demand, the Default Fee in respect thereof until paid. Notwithstanding the foregoing, no provision of this Agreement or the Fee Letters shall require the payment or permit the collection of any amounts hereunder in excess of the maximum permitted by applicable law. If at any time Seller receives any Collections or is deemed to receive any Collections, Seller shall immediately pay such Collections or Deemed Collections to the Servicer for application in accordance with the terms and conditions hereof and, at all times prior to such payment, such Collections or Deemed Collections shall be held in trust by Seller for the exclusive benefit of the Purchasers and the Agent.

Section 2.2 Collections Prior to Amortization. Prior to the Amortization Date, any Collections and/or Deemed Collections received by the Servicer shall be set aside and held in trust by the Servicer for the benefit of the Agent and the Purchasers for the payment of any accrued and unpaid Aggregate Unpaid or for a Reinvestment as provided in this Section 2.2. If at any time any Collections and/or Deemed Collections are received by the Servicer prior to the Amortization Date, (i) the Servicer shall set aside the Termination Percentage (hereinafter defined) of Collections evidenced by the Purchaser Interests of each Terminating Financial Institution, shall set aside Collections to be used to effect any Aggregate Reduction in accordance with Section 1.3 and shall set aside amounts necessary to pay Obligations due on the next succeeding Settlement Date and (ii) Seller hereby requests and the Purchasers (other than any Terminating Financial Institutions) hereby agree to make, simultaneously with such receipt, a reinvestment (each a "Reinvestment") with that portion of the balance of each and every Collection and Deemed Collection received by the Servicer that is part of any Purchaser Interest (other than any Purchaser Interests of Terminating Financial Institutions), such that after giving effect to such Reinvestment, the amount of Capital of such Purchaser Interest immediately after such receipt and corresponding Reinvestment shall be equal to the amount of Capital immediately prior to such receipt (but giving effect to any ratable reduction thereof pursuant to application of an Aggregate Reduction). On each Settlement Date prior to the occurrence of the Amortization Date, the Servicer shall remit to the Agent's or applicable Purchaser's account the amounts set aside during the preceding Settlement Period that have not been subject to a Reinvestment and apply such amounts (if not previously paid in accordance with Section 2.1) first, to reduce unpaid Obligations and second, to reduce the Capital of all Purchaser Interests of

Terminating Financial Institutions, applied ratably to each Terminating Financial Institution according to its respective Termination Percentage. If such Capital and Obligations shall be reduced to zero, any additional Collections received by the Servicer (i) if applicable, shall be remitted to the Agent's or applicable Purchaser's account no later than 11:00 a.m. (Chicago time) to the extent required to fund any Aggregate Reduction on such Settlement Date and (ii) any balance remaining thereafter shall be remitted from the Servicer to Seller on such Settlement Date. Each Terminating Financial Institution shall be allocated a ratable portion of Collections from the Liquidity Termination Date that such Terminating Financial Institution did not consent to extend (as to such Terminating Financial Institution, the "Liquidity Provider Termination Date"), until such Terminating Financial Institution's Capital shall be paid in full. This ratable portion shall be calculated on the Liquidity Provider Termination Date of each Terminating Financial Institution as a percentage equal to (i) Capital of such Terminating Financial Institution outstanding on its Liquidity Provider Termination Date, divided by (ii) the Aggregate Capital outstanding on such Liquidity Provider Termination Date (the "Termination Percentage"). Each Terminating Financial Institution's Termination Percentage shall remain constant prior to the Amortization Date. On and after the Amortization Date, each Termination Percentage shall be disregarded, and each Terminating Financial Institution's Capital shall be reduced ratably with all Financial Institutions in accordance with Section 2.3.

Section 2.3 Collections Following Amortization. On the Amortization Date and on each day thereafter, the Servicer shall set aside and hold in trust, for the holder of each Purchaser Interest, all Collections received on such day and an additional amount for the payment of any Aggregate Unpaid owed by Seller and not previously paid by Seller in accordance with Section 2.1. On and after the Amortization Date, the Servicer shall, at any time upon the request from time to time by (or pursuant to standing instructions from) the Agent (i) remit to the Agent's or applicable Purchaser's account the amounts set aside pursuant to the preceding sentence, and (ii) apply such amounts to reduce the Capital associated with each such Purchaser Interest and any other Aggregate Unpaid.

Section 2.4 Application of Collections. If there shall be insufficient funds on deposit for the Servicer to distribute funds in payment in full of the aforementioned amounts pursuant to Section 2.2 or 2.3 (as applicable), the Servicer shall distribute funds:

first, to the payment of the Servicer's reasonable out-of-pocket costs and expenses in connection with servicing, administering and collecting the Receivables, including the Servicing Fee, if Seller or one of its Affiliates is not then acting as the Servicer,

second, to the reimbursement of the Agent's and the Purchasers' costs of collection and enforcement of this Agreement,

third, ratably to the payment of all accrued and unpaid fees under the Fee Letters, CP Costs and Yield,

fourth, (to the extent applicable) to the ratable reduction of the Aggregate Capital (without regard to any Termination Percentage),

fifth, for the ratable payment of all other unpaid Obligations, provided that to the extent such Obligations relate to the payment of Servicer costs and expenses, including the Servicing Fee, when Seller or one of its Affiliates is acting as the Servicer, such costs and expenses will not be paid until after the payment in full of all other Obligations, and

sixth, after the Aggregate Unpaid have been indefeasibly reduced to zero, to Seller.

Collections applied to the payment of Aggregate Unpaid shall be distributed in accordance with the aforementioned provisions, and, giving effect to each of the priorities set forth in Section 2.4 above, shall be shared ratably (within each priority) among the Agent and the Purchasers in accordance with the amount of such Aggregate Unpaid owing to each of them in respect of each such priority.

Section 2.5 Payment Rescission. No payment of any of the Aggregate Unpays shall be considered paid or applied hereunder to the extent that, at any time, all or any portion of such payment or application is rescinded by application of law or judicial authority, or must otherwise be returned or refunded for any reason. Seller shall remain obligated for the amount of any payment or application so rescinded, returned or refunded, and shall promptly pay to the Agent (for application to the Person or Persons who suffered such rescission, return or refund) the full amount thereof, plus the Default Fee from the date of any such rescission, return or refunding.

Section 2.6 Maximum Purchaser Interests. In accordance with this Section 2.6, Seller shall ensure that the Purchaser Interests of the Purchasers shall at no time exceed in the aggregate 97% or, if the Purchaser Interest Condition is existing at such time, 100%. If as of the date of any Weekly Report or Monthly Report the aggregate of the Purchaser Interests of the Purchasers exceeds 97% or, if the Purchaser Interest Condition is existing at such time, 100%, Seller shall pay to the Purchasers (ratably based on the ratio of each Purchaser's Capital at such time to the Aggregate Capital at such time) within one (1) Business Day an amount to be applied to reduce the Aggregate Capital, such that after giving effect to such payment the aggregate of the Purchaser Interests equals or is less than 97% or, if the Purchaser Interest Condition is existing at such time, 100%. If at any time (other than as of the date of any Weekly Report or Monthly Report) the aggregate of the Purchaser Interests of the Purchasers exceeds 97% or, if the Purchaser Interest Condition is existing at such time, 100%, Seller shall pay to the Purchasers (ratably based on the ratio of each Purchaser's Capital at such time to the Aggregate Capital at such time) within five (5) Business Days an amount to be applied to reduce the Aggregate Capital, such that after giving effect to such payment the aggregate of the Purchaser Interests equals or is less than 97% or, if the Purchaser Interest Condition is existing at such time, 100%.

Section 2.7 Repurchase Option. In addition to Seller's rights pursuant to Section 1.3, Seller (so long as Seller is an Affiliate of the Servicer) shall have the right (after providing written notice to the Agent (and upon receipt thereof the Agent will forward such notice to each Purchaser) in accordance with the Required Notice Period), at any time, to repurchase from the Purchasers all, but not less than all, of the then outstanding Purchaser Interests. The purchase price in respect thereof shall be an amount equal to the Aggregate Unpays through the date of such repurchase, payable in immediately available funds. Such repurchase shall be without representation, warranty or recourse of any kind by, on the part of, or against any Purchaser or the Agent.

Section 2.8 Release of Lock-Box Arrangements. After all Aggregate Unpays have been reduced to zero, the Agent and Purchasers agree that the Collection Account Agreements maintained pursuant to Section 7.1(j) hereof for the benefit of the Purchasers shall be terminated and any amounts remaining in such accounts shall be released to Seller, provided, however, if any amounts paid to the Agent or Purchaser is voided, limited or otherwise required to be disgorged by any Purchaser in a bankruptcy, insolvency, reorganization or other proceeding, each Seller Party hereby agrees to use its best efforts to reinstate such Lock-Box arrangements and Collection Account Agreements, and hereby grants a power of attorney (which shall be irrevocable and coupled with an interest) to the Agent and hereby authorizes the Agent, on its behalf, to execute Lock-Box arrangements and Collection Account Agreements in the event of any such reinstatement.

Section 2.9 Compliance with FATCA. If a payment made to a Purchaser under the Agreement would be subject to U.S. federal withholding tax imposed by FATCA if such Purchaser were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Purchaser shall deliver to the Seller Parties and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Seller Parties or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Seller Parties or the Agent as may be necessary for the Seller Parties and the Agent to comply with their obligations under FATCA and to determine that such Purchaser has complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment. In the event that a Purchaser does not deliver to the Seller Parties and the Agent the documentation prescribed by applicable law or reasonably requested by the Seller Parties or the Agent, as required under this Section 2.9, the Seller Parties and the Agent shall be authorized to deduct from payments to be made to such Purchaser amounts representing taxes payable by such Purchaser under FATCA, as determined in the sole discretion of the Seller Parties or the Agent, and to remit such amounts to the applicable governmental authorities. For purposes of this Section 2.9, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

ARTICLE III
COMPANY FUNDING

Section 3.1 CP Costs. Seller shall pay CP Costs with respect to the Capital associated with each Purchaser Interest of the Companies for each day that any Capital in respect of any such Purchaser Interest is outstanding.

Section 3.2 CP Costs Payments. On each Settlement Date, Seller shall pay to each Company an aggregate amount equal to all accrued and unpaid Company Costs in respect of the Capital associated with all Purchaser Interests of such Company for the immediately preceding Accrual Period in accordance with Article II.

Section 3.3 Calculation of CP Costs. On the fifth Business Day immediately preceding each Settlement Date, each Company shall calculate the aggregate amount of its Company Costs for the applicable Accrual Period and shall notify the Agent of such aggregate amount. Within two (2) Business Days of the Agent's receipt of notification of such Company Costs for all Companies, the Agent shall calculate the aggregate amount of CP Costs due and payable on the applicable Settlement Date and shall notify Seller of the aggregate amount of the CP Costs due and payable on the applicable Settlement Date and shall notify Seller of the aggregate amount of the Company Costs due and payable on such Settlement Date to each Company.

ARTICLE IV
FINANCIAL INSTITUTION FUNDING

Section 4.1 Financial Institution Funding. Each Purchaser Interest of the Financial Institutions shall accrue Yield for each day during its Tranche Period at either the LIBO Rate or the Alternative Base Rate in accordance with the terms and conditions hereof. Until Seller gives notice to the Agent of a change in the rate applicable to the Discount Rate in accordance with Section 4.4, the initial Discount Rate for any Purchaser Interest transferred to the Financial Institutions pursuant to the terms and conditions hereof shall be the Alternative Base Rate. If any Purchaser Interest of any Company is assigned or transferred to, or funded by, any Funding Source of such Company pursuant to any Funding Agreement or to or by any other Person, each such Purchaser Interest so assigned, transferred or funded shall each be deemed to have a new Tranche Period commencing on the date of any such transfer or funding and shall accrue Yield for each day during its Tranche Period at either the LIBO Rate or the Alternative Base Rate in accordance with the terms and conditions hereof as if each such Purchaser Interest was held by a Financial Institution, and with respect to each such Purchaser Interest, the assignee or transferee thereof or lender with respect thereto shall be deemed to be a Financial Institution in the transferring Company's Purchaser Group solely for the purposes of Sections 4.1, 4.2, 4.3, 4.4 and 4.5. Notwithstanding the foregoing, any Financial Institution that is also a Company shall continue to receive CP Costs and Company Costs in accordance with Article III rather than Yield at the Discount Rate in accordance with this Article IV; provided, that, for Chariot Funding LLC, the foregoing will only apply to those Purchaser Interests of Chariot Funding LLC that are funded by the issuance of Commercial Paper.

Section 4.2 Yield Payments. On the Settlement Date for each Purchaser Interest of each Financial Institution, Seller shall pay to each Financial Institution an aggregate amount equal to all accrued and unpaid Yield for the entire Tranche Period of each Purchaser Interest funded by such Financial Institution. On the fifth Business Day immediately preceding the Settlement Date for each Purchaser Interest of the Financial Institutions, each Financial Institution shall calculate the aggregate amount of accrued and unpaid Yield for the entire Tranche Period of each Purchaser Interest funded by such Financial Institution and shall notify the Agent of such aggregate amount. Within two Business Days of the Agent's receipt of notification of such applicable Yield for all Financial Institutions, the Agent shall calculate the aggregate amount of Yield due and payable on the applicable Settlement Date and shall notify Seller of the aggregate amount of Yield due and payable on such Settlement Date to each Financial Institution.

Section 4.3 Selection and Continuation of Tranche Periods.

(a) With consultation from (and approval by) the applicable Financial Institution, Seller shall from time to time request Tranche Periods for the Purchaser Interests of the Financial Institutions, provided that, if at any time the Financial Institutions shall have a Purchaser Interest, Seller shall always request Tranche Periods such that at least one Tranche Period shall end on the date specified in clause (A) of the definition of Settlement Date.

(b) Seller or the applicable Financial Institution, upon notice to and consent by the other received at least three (3) Business Days prior to the end of a Tranche Period (the "Terminating Tranche") for any Purchaser Interest, may, effective on the last day of the Terminating Tranche: (i) divide any such Purchaser Interest into multiple Purchaser Interests by subdividing the associated Capital for such Purchaser Interest into smaller amounts of Capital, (ii) combine any such Purchaser Interest with one or more other Purchaser Interests that have a Terminating Tranche ending on the same day as such Terminating Tranche by combining the associated Capital for such Purchaser Interests or (iii) combine any such Purchaser Interest with a new Purchaser Interest to be purchased on the day such Terminating Tranche ends by combining the associated Capital for such Purchaser Interests; provided that in no event may a Purchaser Interest of any Purchaser be combined with a Purchaser Interest of any other Purchaser.

Section 4.4 Financial Institution Discount Rates. Seller may select the LIBO Rate or the Alternative Base Rate for each Purchaser Interest of the Financial Institutions. Seller shall by 11:00 a.m. (Chicago time): (i) at least three (3) Business Days prior to the expiration of any Terminating Tranche with respect to which the LIBO Rate is being requested as a new Discount Rate and (ii) at least one (1) Business Day prior to the expiration of any Terminating Tranche with respect to which the Alternative Base Rate is being requested as a new Discount Rate, give the applicable Financial Institution irrevocable notice of the new Discount Rate for the Purchaser Interest associated with such Terminating Tranche. Until Seller gives notice to the applicable Financial Institution (or Funding Source) of another Discount Rate, the initial Discount Rate for any Purchaser Interest transferred to the Financial Institutions pursuant to the terms and conditions hereof (or assigned or transferred to, or funded by, any Funding Source pursuant to any Funding Agreement or to or by any other Person) shall be the Alternative Base Rate.

Section 4.5 Suspension of the LIBO Rate. If any Financial Institution notifies the Agent that it has determined that funding its Pro Rata Share of the Purchaser Interests of the Financial Institutions in such Financial Institution's Purchaser Group at the LIBO Rate would violate any applicable law, rule, regulation, or directive of any governmental or regulatory authority, whether or not having the force of law, or that (i) deposits of a type and maturity appropriate to match fund its Purchaser Interests at the LIBO Rate are not available or (ii) the LIBO Rate does not accurately reflect the cost of acquiring or maintaining a Purchaser Interest at the LIBO Rate, then the Agent shall suspend the availability of the LIBO Rate for the Financial Institutions in such Financial Institution's Purchaser Group and require Seller to select the Alternative Base Rate for any Purchaser Interest funded by the Financial Institutions in such Financial Institution's Purchaser Group accruing Yield at the LIBO Rate.

Section 4.6 Extension of Liquidity Termination Date.

(a) Seller may request one or more 364-day extensions of the Liquidity Termination Date then in effect by giving written notice of such request to the Agent (each such notice an "Extension Notice") at least 60 days prior to the Liquidity Termination Date then in effect. After the Agent's receipt of any Extension Notice, the Agent shall promptly advise each Financial Institution of such Extension Notice. Each Financial Institution may, in its sole discretion, by a revocable notice (a "Consent Notice") given to the Agent on or prior to the 30th day prior to the Liquidity Termination Date then in effect (such period from the date of the Extension Notice to such 30th day being referred to herein as the "Consent Period"), consent to such extension of such Liquidity Termination Date; provided, however, that, except as provided in Section 4.6(b), such extension shall not be effective with respect to any of the Financial Institutions if any one or more Financial Institutions: (i) notifies the Agent during the Consent Period that such Financial Institution either does not wish to consent to such extension or wishes to revoke its prior Consent Notice or (ii) fails to respond to the Agent within the Consent Period (each Financial Institution that does not wish to consent to such extension or wishes to revoke its prior Consent Notice or fails to respond to the Agent within the Consent Period is herein referred to as a "Non-Renewing Financial Institution"). If none of the events described in the foregoing clauses (i) or (ii) occurs during the Consent Period and all Consent Notices have been received, then, the Liquidity Termination Date shall be irrevocably extended until the date that is 364 days after the Liquidity Termination Date then in effect. The Agent shall promptly notify Seller of any Consent Notice or other notice received by the Agent pursuant to this Section 4.6(a).

(b) Upon receipt of notice from the Agent pursuant to Section 4.6(a) of any Non-Renewing Financial Institution or that the Liquidity Termination Date has not been extended, one or more of the Financial Institutions (including any Non-Renewing Financial Institution) may proffer to the Agent and the Company in such Non-Renewing Financial Institution's Purchaser Group the names of one or more institutions meeting the criteria set forth in Section 12.1(b)(i) that are willing to accept assignments of and assume the rights and obligations under this Agreement and the other applicable Transaction Documents of the Non-Renewing Financial Institution. Provided the proffered name(s) are acceptable to the Agent and the Company in such Non-Renewing Financial Institution's Purchaser Group, the Agent shall notify the remaining Financial Institutions of such fact, and the then existing Liquidity Termination Date shall be extended for an additional 364 days upon satisfaction of the conditions for an assignment in accordance with Section 12.1 and the Commitment of each Non-Renewing Financial Institution shall be reduced to zero. If the rights and obligations under this Agreement and the other applicable Transaction Documents of each Non-Renewing Financial Institution are not assigned as contemplated by this Section 4.6(b) (each such Non-Renewing Financial Institution whose rights and obligations under this Agreement and the other applicable Transaction Documents are not so assigned is herein referred to as a "Terminating Financial Institution") and at least one Financial Institution is not a Non-Renewing Financial Institution, the then existing Liquidity Termination Date shall be extended for an additional 364 days; provided, however, that (i) the Purchase Limit shall be reduced on the Liquidity Provider Termination Date applicable to each Terminating Financial Institution by an aggregate amount equal to the Terminating Commitment Availability of each Terminating Financial Institution as of such date and shall thereafter continue to be reduced by amounts equal to any reduction in the Capital of any Terminating Financial Institution (after application of Collections pursuant to Sections 2.2 and 2.3), (ii) the Company Purchase Limit of each Company shall be reduced by the aggregate amount of the Terminating Commitment Amount of each Terminating Financial Institution in such Company's Purchaser Group and (iii) the Commitment of each Terminating Financial Institution shall be reduced to zero on the Liquidity Provider Termination Date applicable to such Terminating Financial Institution. Upon reduction to zero of the Capital of all of the Purchaser Interests of a Terminating Financial Institution (after application of Collections thereto pursuant to Sections 2.2 and 2.3) all rights and obligations of such Terminating Financial Institution hereunder shall be terminated and such Terminating Financial Institution shall no longer be a "Financial Institution"; provided, however, that the provisions of Article X shall continue in effect for its benefit with respect to Purchaser Interests held by such Terminating Financial Institution prior to its termination as a Financial Institution.

(c) Any requested extension may be approved or disapproved by a Financial Institution in its sole discretion. In the event that the Commitments are not extended in accordance with the provisions of this Section 4.6, the Commitment of each Financial Institution shall be reduced to zero on the Liquidity Termination Date. Upon reduction to zero of the Commitment of a Financial Institution and upon reduction to zero of the Capital of all of the Purchaser Interests of such Financial Institution all rights and obligations of such Financial Institution hereunder shall be terminated and such Financial Institution shall no longer be a "Financial Institution"; provided, however, that the provisions of Article X shall continue in effect for its benefit with respect to Purchaser Interests held by such Financial Institution prior to its termination as a Financial Institution.

ARTICLE V REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of The Seller Parties. Each Seller Party hereby represents and warrants to the Agent and the Purchasers, as to itself (and not as to any other Seller Party), as of the date hereof and as of the date of each Incremental Purchase and the date of each Reinvestment that:

(a) Corporate Existence and Power. Such Seller Party is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation. Such Seller Party is duly qualified to do business and is in good standing as a foreign corporation, and has and holds all corporate power and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is conducted, except where the failure of the Servicer to so qualify or so hold could not reasonably be expected to have a Material Adverse Effect.

(b) Power and Authority; Due Authorization, Execution and Delivery. The execution and delivery by such Seller Party of this Agreement and each other Transaction Document to which it is a party, and

the performance of its obligations hereunder and thereunder and, in the case of Seller, Seller's use of the proceeds of purchases made hereunder, are within its corporate powers and authority and have been duly authorized by all necessary corporate action on its part. This Agreement and each other Transaction Document to which such Seller Party is a party has been duly executed and delivered by such Seller Party.

(c) No Conflict. The execution and delivery by such Seller Party of this Agreement and each other Transaction Document to which it is a party, and the performance of its obligations hereunder and thereunder do not contravene or violate (i) its certificate or articles of incorporation or by-laws, (ii) any law, rule or regulation applicable to it, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which it or any of its property is bound, or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, and do not result in the creation or imposition of any Adverse Claim on assets of such Seller Party or its Subsidiaries (except as created hereunder); and no transaction contemplated hereby requires compliance with any bulk sales act or similar law.

(d) Governmental Authorization. Other than the filing of the financing statements required hereunder, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by such Seller Party of this Agreement and each other Transaction Document to which it is a party and the performance of its obligations hereunder and thereunder.

(e) Actions, Suits. There are no actions, suits or proceedings pending, or to the best of such Seller Party's knowledge, threatened, against or affecting such Seller Party, or any of its properties, in or before any court, arbitrator or other body, except for actions, suits or proceedings (i) that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect or (ii) that have been publicly disclosed in any periodic report or other filing made by such Seller Party pursuant to, and in full conformity with the requirements of, the Securities Exchange Act of 1934. In addition to the foregoing, there are no actions, suits or proceedings pending, or to the best of such Seller Party's knowledge, threatened against or affecting the Receivables, the Related Security or any Transaction Document, in or before any court, arbitration or other body. Such Seller Party is not in default with respect to any order of any court, arbitrator or governmental body.

(f) Binding Effect. This Agreement and each other Transaction Document to which such Seller Party is a party constitute the legal, valid and binding obligations of such Seller Party enforceable against such Seller Party in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(g) Accuracy of Information. All information heretofore furnished by such Seller Party or any of its Affiliates to the Agent or the Purchasers for purposes of or in connection with this Agreement, any of the other Transaction Documents or any transaction contemplated hereby or thereby is, and all such information hereafter furnished by such Seller Party or any of its Affiliates to the Agent or the Purchasers will be, true and accurate in every material respect on the date such information is stated or certified and does not and will not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading.

(h) Use of Proceeds. No proceeds of any purchase hereunder will be used (i) for a purpose that violates, or would be inconsistent with, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time or (ii) to acquire any security in any transaction which is subject to Section 12, 13 or 14 of the Securities Exchange Act of 1934, as amended.

(i) Good Title. Immediately prior to each purchase hereunder, Seller shall be the legal and beneficial owner of the Receivables and Related Security with respect thereto, free and clear of any Adverse Claim, except as created by the Transaction Documents. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Seller's ownership interest in each Receivable, its Collections and the Related Security.

(j) Perfection. This Agreement, together with the filing of the financing statements contemplated hereby, is effective to, and shall, upon each purchase hereunder, transfer to the Agent for the benefit of

the relevant Purchaser or Purchasers (and the Agent for the benefit of such Purchaser or Purchasers shall acquire from Seller) a valid and perfected first priority undivided percentage ownership or security interest in all of Seller's right, title and interest in, to and under each Receivable existing or hereafter arising and in the Related Security and Collections with respect thereto, free and clear of any Adverse Claim, except as created by the Transaction Documents. There have been duly filed all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Agent's (on behalf of the Purchasers) ownership or security interest in the Receivables, the Related Security and the Collections.

(k) Places of Business, Jurisdiction of Organization and Locations of Records. The principal places of business, jurisdiction of organization and chief executive office of such Seller Party and the offices where it keeps all of its Records are located at the address(es) listed on Exhibit III or such other locations of which the Agent has been notified in accordance with Section 7.2(a) in jurisdictions where all action required by Section 7.1(h) and/or Section 13.4(a) has been taken and completed. Seller's organizational number assigned to it by its jurisdiction of organization and Seller's Federal Employer Identification Number are correctly set forth on Exhibit III. Seller has not changed the location of its principal place of business and chief executive office or its corporate structure without notifying the Agent of such change since June 28, 2001. Seller has not changed its jurisdiction of organization. Seller is a Delaware corporation and is a "registered organization" (within the meaning of Section 9-102 of the UCC in effect in the State of Delaware). Servicer is a New York corporation and is a "registered organization" (within the meaning of Section 9-102 of the UCC in effect in the State of New York).

(l) Collections. The conditions and requirements set forth in Section 7.1(j) and Section 8.2 have at all times been satisfied and duly performed. The names and addresses of all Collection Banks, together with the account numbers of the Collection Accounts of Seller at each Collection Bank and the post office box number of each Lock-Box, are listed on Exhibit IV. Seller has not granted any Person, other than the Agent as contemplated by this Agreement, dominion and control or "control" (within the meaning of Section 9-104 of the UCC of all applicable jurisdictions) of any Lock-Box or Collection Account, or the right to take dominion and control or "control" (within the meaning of Section 9-104 of the UCC of all applicable jurisdictions) of any such Lock-Box or Collection Account at a future time or upon the occurrence of a future event. Seller has taken all steps necessary to ensure that the Agent has "control" (within the meaning of Section 9-104 of the UCC of all applicable jurisdictions) over all its Collection Accounts and Lock-Boxes.

(m) Material Adverse Effect. (i) The initial Servicer represents and warrants that since March 31, 2001, no event has occurred that would have a material adverse effect on the financial condition or operations of the initial Servicer and its Subsidiaries or the ability of the initial Servicer to perform its obligations under this Agreement, and (ii) Seller represents and warrants that since June 28, 2001, no event has occurred that would have a material adverse effect on (A) the financial condition or operations of Seller, (B) the ability of Seller to perform its obligations under the Transaction Documents, or (C) the collectibility of the Receivables generally or any material portion of the Receivables.

(n) Names. In the past five (5) years, Seller has not used any corporate names, trade names or assumed names other than the name in which it has executed this Agreement.

(o) Ownership of Seller. Originator owns, directly or indirectly, 100% of the issued and outstanding capital stock of Seller, free and clear of any Adverse Claim. Such capital stock is validly issued, fully paid and nonassessable, and there are no options, warrants or other rights to acquire securities of Seller.

(p) Not a Holding Company or an Investment Company. Such Seller Party is not a "holding company" or a "subsidiary holding company" of a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended, or any successor statute. Such Seller Party is not, and is not controlled by, an "investment company" registered or required to be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), and is not a "covered fund" under Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder (the "Volcker Rule"). In determining that it is not a "covered fund" under the Volcker Rule, although other exemptions or exclusions under the Investment Company Act may apply, the Seller relies on the exemption from the definition of "investment company" set forth in Section 3(c)(5) of the Investment Company Act and does not rely solely on the exemption from the definition of "investment company" set forth in Section 3(c)(1) and/or 3(c)(7) of the Investment Company Act.

(q) Compliance with Law. Such Seller Party has complied in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect. Seller represents that each Receivable, together with the Contract related thereto, does not contravene any laws, rules or regulations applicable thereto (including, without limitation, laws, rules and regulations relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy), and no part of such Contract is in violation of any such law, rule or regulation.

(r) Compliance with Credit and Collection Policy. Seller has complied in all material respects with the applicable Credit and Collection Policy with regard to each Receivable and the related Contract, and has not made or permitted to be made any material change to such Credit and Collection Policy, except as permitted in accordance with Section 7.2(c) and except such material change as to which the Agent has been notified in accordance with Section 7.1(a)(vii).

(s) Payments to Originator. Seller represents that with respect to each Receivable transferred to Seller under the Receivables Sale Agreement, Seller has given reasonably equivalent value to Originator in consideration therefor and such transfer was not made for or on account of an antecedent debt. Seller represents that no transfer by any Originating Entity of any Receivable under the Receivables Sale Agreement or the Subsidiary RSA is or may be voidable under any section of the Federal Bankruptcy Code.

(t) Enforceability of Contracts. Seller represents that each Contract with respect to each Receivable is effective to create, and has created, a legal, valid and binding obligation of the related Obligor to pay the Outstanding Balance of the Receivable created thereunder and any accrued interest thereon, if any, enforceable against the Obligor in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(u) Eligible Receivables. Each Receivable included in the Net Receivables Balance as an Eligible Receivable on the date of its purchase under the Receivables Sale Agreement was an Eligible Receivable on such purchase date.

(v) Aggregate Capital. Seller has determined that, immediately after giving effect to each purchase hereunder, the Aggregate Capital is no greater than 97% or, if the Purchaser Interest Condition is existing immediately before and after giving effect to such purchase, 100% of the amount equal to (i) the Net Receivables Balance, minus (ii) the Aggregate Reserves.

(w) Accounting. The manner in which the Seller Parties or the Originating Entities account for the transactions contemplated by this Agreement, the Receivables Sale Agreement and the Subsidiary RSA, collectively and as applicable, does not jeopardize the true sale analysis of the sale of Receivables by the Subsidiary Originator to Originator or by Originator to Seller.

(x) Anti-Corruption Laws and Sanctions. Neither the Seller Parties, nor any of their respective Subsidiaries, nor, to the knowledge of the Seller Parties or their respective Subsidiaries, any director, officer, employee, agent, affiliate or representative of the Seller Parties or their respective Subsidiaries, is an individual or entity that is (i) currently the subject or target of any Sanctions or (ii) located, organized or resident in any country or territory to the extent that such country or territory itself is the subject of any country-wide Sanction

Section 5.2 Financial Institution Representations and Warranties. Each Financial Institution hereby represents and warrants to the Agent and the Company in such Financial Institution's Purchaser Group that:

(a) Existence and Power. Such Financial Institution is a corporation or a banking association duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, and has all corporate power to perform its obligations hereunder.

(b) No Conflict. The execution and delivery by such Financial Institution of this Agreement and the performance of its obligations hereunder are within its corporate powers, have been duly authorized by all necessary corporate action, do not contravene or violate (i) its certificate or articles of incorporation or association or by-laws, (ii) any law, rule or regulation applicable to it, (iii) any restrictions under any agreement, contract or instrument to which it is a party or by which any of its property is bound, or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting it or its property, and do not result in the creation or imposition of any Adverse Claim on its assets. This Agreement has been duly authorized, executed and delivered by such Financial Institution.

(c) Governmental Authorization. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution and delivery by such Financial Institution of this Agreement and the performance of its obligations hereunder, except that has already been received.

(d) Binding Effect. This Agreement constitutes the legal, valid and binding obligation of such Financial Institution enforceable against such Financial Institution in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws relating to or limiting creditors' rights generally and by general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law).

ARTICLE VI CONDITIONS OF PURCHASES

Section 6.1 Conditions Precedent to Amendment and Restatement. The effectiveness of this amendment and restatement and the initial Incremental Purchase thereafter is subject to the conditions precedent that (a) the Agent and the Current Financial Institutions and their respective auditors shall have completed a due diligence review satisfactory to the Agent and the Current Financial Institutions of the Originator's operating locations, (b) the Purchasers shall have obtained approval of the transactions contemplated hereby by their respective credit committees, (c) the Agent and the Current Financial Institutions shall have received on or before the date of such purchase those documents listed on Schedule B, (d) the Agent and the Purchasers shall have received all fees and expenses required to be paid on or prior to the date hereof pursuant to the terms of this Agreement and the Fee Letters and (e) the Servicer, Seller and Originator shall have identified in their general ledger a legend satisfactory to the Agent describing the sale of the Receivables to Seller and the purchase of the Purchaser Interests hereunder.

Section 6.2 Conditions Precedent to All Purchases and Reinvestments. Each purchase of a Purchaser Interest and each Reinvestment shall be subject to the further conditions precedent that (a) in the case of each such purchase or Reinvestment: (i) the Servicer shall have delivered to the Agent on or prior to the date of such purchase, in form and substance satisfactory to the Agent, all Monthly Reports and Weekly Reports as and when due under Section 8.5 and (ii) upon the Agent's request, the Servicer shall have delivered to the Agent at least three (3) days prior to such purchase or Reinvestment an interim report showing the amount of Eligible Receivables only; (b) the Facility Termination Date shall not have occurred; (c) the Agent shall have received such other approvals, opinions or documents as it may reasonably request; and (d) on the date of each such Incremental Purchase or Reinvestment, the following statements shall be true (and acceptance of the proceeds of such Incremental Purchase or Reinvestment shall be deemed a representation and warranty by Seller that such statements are then true):

(i) the representations and warranties set forth in Section 5.1 of this Agreement and in Section 2.1 of the Subsidiary RSA are true and correct on and as of the date of such Incremental Purchase or Reinvestment as though made on and as of such date;

(ii) no event has occurred and is continuing, or would result from such Incremental Purchase or Reinvestment, that will constitute an Amortization Event, and no event has occurred and is continuing, or would result from such Incremental Purchase or Reinvestment, that would constitute a Potential Amortization Event; and

(iii) the Aggregate Capital does not exceed the Purchase Limit and, in the case of an Incremental Purchase, the aggregate Purchaser Interests do not exceed 97% or, if the Purchaser Interest Condition is existing on such date, 100%.

It is expressly understood that each Reinvestment shall, unless otherwise directed by the Agent or any Purchaser, occur automatically on each day that the Servicer shall receive any Collections without the requirement that any further action be taken on the part of any Person and notwithstanding the failure of Seller to satisfy any of the foregoing conditions precedent in respect of such Reinvestment. The failure of Seller to satisfy any of the foregoing conditions precedent in respect of any Reinvestment shall give rise to a right of the Agent, which right may be exercised at any time on demand of the Agent, to rescind the related purchase and direct Seller to pay to the Agent for the benefit of the Purchasers an amount equal to the Collections prior to the Amortization Date that shall have been applied to the affected Reinvestment.

ARTICLE VII COVENANTS

Section 7.1 Affirmative Covenants of The Seller Parties. Until the date on which the Aggregate Unpaid have been indefeasibly paid in full and this Agreement terminates in accordance with its terms, each Seller Party hereby covenants, as to itself (and not as to any other Seller Party), as set forth below:

(a) Financial Reporting. Such Seller Party will maintain, for itself and each of its Subsidiaries, a system of accounting established and administered in accordance with GAAP, and furnish or cause to be furnished to the Agent (and upon receipt thereof the Agent will forward the same to each Company or its designee):

(i) Annual Reporting. Within 120 days after the close of each of its respective fiscal years, audited, unqualified consolidated financial statements (which shall include balance sheets, statements of income and retained earnings and a statement of cash flows) for Avnet, and its Subsidiaries, for such fiscal year certified in a manner acceptable to the Agent by independent public accountants of recognized national standing.

(ii) Quarterly Reporting. Within 60 days after the close of the first three (3) quarterly periods of each of its respective fiscal years, consolidated balance sheets of Avnet, and its Subsidiaries, as at the close of each such period and statements of income and retained earnings and a statement of cash flows for Avnet, and its Subsidiaries, for the period from the beginning of such fiscal year to the end of such quarter, all certified subject to year-end audit adjustments, as to fairness of presentation, GAAP, and consistency, by its chief financial officer, chief accounting officer or treasurer.

(iii) Compliance Certificate. Together with the financial statements required hereunder, a compliance certificate in substantially the form of Exhibit V signed by such Seller Party's Authorized Officer and dated the date of such annual financial statement or such quarterly financial statement, as the case may be.

(iv) Shareholders Statements and Reports. Promptly upon the furnishing thereof to the shareholders of Servicer copies of all financial statements, reports and proxy statements so furnished.

(v) S.E.C. Filings. Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which Originator or any of its Subsidiaries files with the Securities and Exchange Commission.

(vi) Copies of Notices. Promptly upon its receipt of any notice, request for consent, financial statements, certification, report or other communication under or in connection with any Transaction Document from any Person other than the Agent, copies of the same.

(vii) Change in Credit and Collection Policy. At least thirty (30) days prior to the effectiveness of any material change in or material amendment to any Credit and Collection Policy, a copy of such Credit and Collection Policy then in effect and a notice (A) indicating such change or amendment, and (B) if such proposed change or amendment would be reasonably likely to adversely affect the collectibility of the Receivables or decrease the credit quality of any newly created Receivables, requesting the Agent's and each Purchaser's consent thereto, provided that such consent shall not be unreasonably withheld.

(viii) Other Information. Promptly, from time to time, such other information, documents, records or reports relating to the Receivables or the condition or operations, financial or otherwise, of such Seller Party as the Agent may from time to time reasonably request in order to protect the interests of the Agent and the Purchasers under or as contemplated by this Agreement.

(b) Notices. Such Seller Party will notify the Agent (and upon receipt thereof the Agent will forward such notice to each Company or its designee) in writing of any of the following promptly upon learning of the occurrence thereof, describing the same and, if applicable, the steps being taken with respect thereto:

(i) Amortization Events or Potential Amortization Events. The occurrence of each Amortization Event and each Potential Amortization Event, by a statement of an Authorized Officer of such Seller Party.

(ii) Judgment and Proceedings. (A) (1) The entry of any judgment or decree against the Servicer or any of its respective Subsidiaries if the aggregate amount of all judgments and decrees then outstanding against the Servicer and its Subsidiaries exceeds \$25,000,000 and (2) the institution of any litigation, arbitration proceeding or governmental proceeding against the Servicer, which, individually or in the aggregate, if adversely determined, would reasonably be expected to result in a judgment in excess of \$50,000,000; and (B) the entry of any judgment or decree or the institution of any litigation, arbitration proceeding or governmental proceeding against Seller.

(iii) Material Adverse Effect. The occurrence of any event or condition that has had, or could reasonably be expected to have, a Material Adverse Effect.

(iv) Termination Date. The occurrence of the "Termination Date" under and as defined in the Receivables Sale Agreement or the Subsidiary RSA.

(v) Defaults Under Other Agreements. The occurrence of a default or an event of default under any other financing arrangement pursuant to which such Seller Party is a debtor or an obligor.

(vi) Downgrade of Originator. Any downgrade in the rating of any Indebtedness of Originator by S&P or by Moody's, setting forth the Indebtedness affected and the nature of such change.

(vii) Appointment of Independent Director. The decision to appoint a new director of the Seller as the "Independent Director" for purposes of this Agreement, such notice to be issued not less than ten (10) days prior to the effective date of such appointment and to certify that the designated Person satisfies the criteria set forth in the definition herein of "Independent Director."

(c) Compliance with Laws and Preservation of Corporate Existence. Such Seller Party will comply in all respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect. Such Seller Party will preserve and maintain its corporate existence, rights, franchises and privileges in the jurisdiction of its incorporation, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where its business is conducted, except where the failure of the Servicer to so qualify or to maintain such qualification could not reasonably be expected to have a Material Adverse Effect.

(d) Audits. Such Seller Party will furnish to the Agent (and upon receipt thereof the Agent will forward the same to each Company or its designee) from time to time such information with respect to it and the Receivables as the Agent or the Required Purchasers may reasonably request. Such Seller Party will, from time to time during regular business hours as requested by the Agent upon reasonable notice and at the sole cost of such Seller Party, permit the Agent, or its agents or representatives, (i) to examine and make copies of and abstracts from all Records in the possession or under the control of such Seller Party relating to the Receivables and the Related Security, including, without limitation, the related Contracts, and (ii) to visit the offices and properties of such Seller Party for the purpose of examining such materials described in clause (i) above, and to discuss matters relating to such Seller Party's financial condition or the Receivables and the Related Security or any Seller Party's performance under any of the Transaction Documents or any Seller Party's performance under the Contracts and, in each case, with any of the officers or employees of Seller or the Servicer having knowledge of such matters.

(e) Keeping and Marking of Records and Books.

(i) The Servicer will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Receivables in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Receivables (including, without limitation, records adequate to permit the immediate identification of each new Receivable and all Collections of and adjustments to each existing Receivable). The Servicer will give the Agent notice of any material change in the administrative and operating procedures referred to in the previous sentence.

(ii) Such Seller Party will (A) on or prior to June 28, 2001, identify in its general ledger a legend, acceptable to the Agent, describing the Purchaser Interests and (B) upon the request of the Agent (x) mark each Contract with a legend describing the Purchaser Interests and (y) deliver to the Agent all Contracts (including, without limitation, all multiple originals of any such Contract) relating to the Receivables.

(f) Compliance with Contracts and Credit and Collection Policy. Seller will timely and fully (i) perform and comply with all provisions, covenants and other promises, if any, required to be observed by it under the Contracts related to the Receivables, and (ii) comply in all respects with the applicable Credit and Collection Policy in regard to each Receivable and the related Contract.

(g) Performance and Enforcement of Receivables Sale Agreement. Seller will purchase Receivables under the Receivables Sale Agreement in strict compliance with the terms thereof. Seller will, and will require each Originating Entity to, perform each of their respective obligations and undertakings under and pursuant to the Receivables Sale Agreement or the Subsidiary RSA, as applicable, and will vigorously enforce the rights and remedies accorded to Seller (including any such rights and remedies acquired by way of assignment) thereunder. Seller will take all actions to perfect and enforce its rights and interests (and the rights and interests of the Agent and the Purchasers as assignees of Seller) under the Receivables Sale Agreement and the Subsidiary RSA as the Agent may from time to time reasonably request, including, without limitation, making claims to which it may be entitled under any indemnity, reimbursement or similar provision contained in the Receivables Sale Agreement or the Subsidiary RSA, as applicable.

(h) Ownership. Seller will (or will cause each Originating Entity to) take all necessary action to (i) vest legal and equitable title to the Receivables, the Related Security and the Collections purchased under the Receivables Sale Agreement irrevocably in Seller, free and clear of any Adverse Claims other than Adverse Claims

in favor of the Agent and the Purchasers (including, without limitation, the filing of all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect Seller's interest in such Receivables, Related Security and Collections and such other action to perfect, protect or more fully evidence the interest of Seller therein as the Agent may reasonably request), and (ii) establish and maintain, in favor of the Agent, for the benefit of the Purchasers, a valid and perfected first priority undivided percentage ownership interest (and/or a valid and perfected first priority security interest) in all such Receivables, Related Security and Collections to the full extent contemplated herein, free and clear of any Adverse Claims other than Adverse Claims in favor of the Agent for the benefit of the Purchasers (including, without limitation, the filing of all financing statements or other similar instruments or documents necessary under the UCC (or any comparable law) of all appropriate jurisdictions to perfect the Agent's (for the benefit of the Purchasers) interest in such Receivables, Related Security and Collections and such other action to perfect, protect or more fully evidence the interest of the Agent for the benefit of the Purchasers as the Agent may reasonably request).

(i) Purchasers' Reliance. Seller acknowledges that the Purchasers are entering into the transactions contemplated by this Agreement in reliance upon Seller's identity as a legal entity that is separate from each Originating Entity. Therefore, during the term of this Agreement, Seller shall take all reasonable steps, including, without limitation, all steps that the Agent or any Purchaser may from time to time reasonably request, to maintain Seller's identity as a separate legal entity and to make it manifest to third parties that Seller is an entity with assets and liabilities distinct from those of each Originating Entity and any Affiliates thereof and not just a division of any such Originating Entity or any such Affiliate. Without limiting the generality of the foregoing and in addition to the other covenants set forth herein, Seller will:

(A) conduct its own business in its own name and require that all full-time employees of Seller, if any, identify themselves as such and not as employees of any Originating Entity (including, without limitation, by means of providing appropriate employees with business or identification cards identifying such employees as Seller's employees);

(B) compensate all employees, consultants and agents directly, from Seller's own funds, for services provided to Seller by such employees, consultants and agents and, to the extent any employee, consultant or agent of Seller is also an employee, consultant or agent of any Originating Entity or any Affiliate thereof, allocate the compensation of such employee, consultant or agent between Seller and such Originating Entity or such Affiliate, as applicable, on a basis that reflects the services rendered to Seller and such Originating Entity or such Affiliate, as applicable;

(C) clearly identify its offices (by signage or otherwise) as its offices and, if such office is located in the offices of any Originating Entity, Seller shall lease such office at a fair market rent;

(D) have a separate telephone number, which will be answered only in its name and separate stationery, invoices and checks in its own name;

(E) conduct all transactions with each Originating Entity, the Servicer and any Affiliate thereof (including, without limitation, any delegation of its obligations hereunder as Servicer) strictly on an arm's-length basis, allocate all overhead expenses (including, without limitation, telephone and other utility charges) for items shared between Seller and any Originating Entity or any Affiliate thereof on the basis of actual use to the extent practicable and, to the extent such allocation is not practicable, on a basis reasonably related to actual use;

(F) at all times have a Board of Directors consisting of three members, at least one member of which is an Independent Director;

(G) observe all corporate formalities as a distinct entity, and ensure that all corporate actions relating to (A) the selection, maintenance or replacement of the Independent Director, (B) the dissolution or liquidation of Seller or (C) the initiation of, participation in, acquiescence in or consent to any bankruptcy, insolvency, reorganization or similar proceeding

involving Seller, are duly authorized by unanimous vote of its Board of Directors (including the Independent Director);

(H) maintain Seller's books and records separate from those of each Originating Entity and any Affiliate thereof and otherwise readily identifiable as its own assets rather than assets of any Originating Entity or any Affiliate thereof;

(I) prepare its financial statements separately from those of each Originating Entity and insure that any consolidated financial statements of any Originating Entity or any Affiliate thereof that include Seller and that are filed with the Securities and Exchange Commission or any other governmental agency have notes clearly stating that Seller is a separate corporate entity and that its assets will be available first and foremost to satisfy the claims of the creditors of Seller;

(J) except as herein specifically otherwise provided, maintain the funds or other assets of Seller separate from, and not commingled with, those of any Originating Entity or any Affiliate thereof and only maintain bank accounts or other depository accounts to which Seller alone is the account party;

(K) pay all of Seller's operating expenses from Seller's own assets (except for certain payments by any Originating Entity or other Persons pursuant to allocation arrangements that comply with the requirements of this Section 7.1(i));

(L) operate its business and activities such that: it does not engage in any business or activity of any kind, or enter into any transaction or indenture, mortgage, instrument, agreement, contract, lease or other undertaking, other than the transactions contemplated and authorized by this Agreement and the Receivables Sale Agreement; and does not create, incur, guarantee, assume or suffer to exist any indebtedness or other liabilities, whether direct or contingent, other than (1) as a result of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, (2) the incurrence of obligations under this Agreement, (3) the incurrence of obligations, as expressly contemplated in the Receivables Sale Agreement, to make payment to Originator thereunder for the purchase of Receivables from Originator under the Receivables Sale Agreement, and (4) the incurrence of operating expenses in the ordinary course of business of the type otherwise contemplated by this Agreement;

(M) maintain its corporate charter in conformity with this Agreement, such that (1) it does not amend, restate, supplement or otherwise modify its Certificate of Incorporation or By-Laws in any respect that would impair its ability to comply with the terms or provisions of any of the Transaction Documents, including, without limitation, Section 7.1(i) of this Agreement; and (2) its corporate charter, at all times that this Agreement is in effect, provides for not less than ten (10) days' prior written notice to the Agent of the replacement or appointment of any director that is to serve as an Independent Director for purposes of this Agreement and the condition precedent to giving effect to such replacement or appointment that the Seller certify that the designated Person satisfied the criteria set forth in the definition herein of "Independent Director" and the Agent's written acknowledgement that in its reasonable judgment the designated Person satisfies the criteria set forth in the definition herein of "Independent Director;"

(N) maintain the effectiveness of, and continue to perform under the Receivables Sale Agreement, such that it does not amend, restate, supplement, cancel, terminate or otherwise modify the Receivables Sale Agreement, or give any consent, waiver, directive or approval thereunder or waive any default, action, omission or breach under the Receivables Sale Agreement or the Subsidiary RSA or otherwise grant any indulgence thereunder, without (in each case) the prior written consent of the Agent and the Required Purchasers;

(O) maintain its corporate separateness such that it does not merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in

one transaction or in a series of transactions, and except as otherwise contemplated herein) all or substantially all of its assets (whether now owned or hereafter acquired) to, or acquire all or substantially all of the assets of, any Person, nor at any time create, have, acquire, maintain or hold any interest in any Subsidiary;

(P) maintain at all times the Required Capital Amount (as defined in the Receivables Sale Agreement) and refrain from making any dividend, distribution, redemption of capital stock or payment of any subordinated indebtedness which would cause the Required Capital Amount to cease to be so maintained; and

(Q) take such other actions as are necessary on its part to ensure that (i) the facts and assumptions set forth in the opinion issued by Squire, Sanders & Dempsey L.L.P., as counsel for Seller, in connection with the second amendment and restatement of the Existing Agreement and relating to substantive consolidation issues, and in the certificates accompanying such opinion, and (ii) the facts and assumptions set forth in the opinion issued by Covington & Burling LLP, as counsel for Seller, in connection with the 10th amendment to the Existing Agreement and relating to substantive consolidation issues with respect to the Subsidiary Originator and Seller, and in the certificates accompanying such opinion, remain true and correct in all material respects at all times.

(j) Collections. Such Seller Party will cause (1) all proceeds from all Lock-Boxes to be directly deposited by a Collection Bank into a Collection Account and (2) each Lock-Box and Collection Account to be subject at all times to a Collection Account Agreement that is in full force and effect. In the event any payments relating to Receivables are remitted directly to Seller or any Affiliate of Seller, Seller will remit (or will cause all such payments to be remitted) directly to a Collection Bank and deposited into a Collection Account within two (2) Business Days following receipt thereof, and, at all times prior to such remittance, Seller will itself hold or, if applicable, will cause such payments to be held in trust for the exclusive benefit of the Agent and the Purchasers. Seller will maintain exclusive ownership, dominion and control (subject to the terms of this Agreement) of each Lock-Box and Collection Account and shall not grant the right to take dominion and control or establish “control” (within the meaning of Section 9-104 of the UCC of all applicable jurisdictions) of any Lock-Box or Collection Account at a future time or upon the occurrence of a future event to any Person, except to the Agent as contemplated by this Agreement. With respect to any Lock-Box or Collection Account, Seller shall take all steps necessary to ensure that the Agent has “control” (within the meaning of Section 9-104 of the UCC of all applicable jurisdictions) over such Lock-Box or Collection Account. So long as no Amortization Event or Potential Amortization Event shall have occurred and be continuing, the Servicer will be permitted to transfer proceeds from a Lock-Box or Collection Account to another account of Servicer, provided that at all times Servicer will hold such payments or, if applicable, will cause such payments to be held in trust for the exclusive benefit of the Agent and the Purchasers subject to application pursuant to Sections 2.2 and 2.3 hereof.

(k) Taxes. Such Seller Party will file all tax returns and reports required by law to be filed by it and will promptly pay all taxes and governmental charges at any time owing. Seller will pay when due any taxes payable in connection with the Receivables, exclusive of taxes on or measured by income or gross receipts of any Company, the Agent or any Financial Institution.

(l) Insurance. Seller will maintain in effect, or cause to be maintained in effect, at Seller’s own expense, such liability insurance as Seller shall deem appropriate in its good faith business judgment. The Agent, for the benefit of the Purchasers, shall be named as an additional insured with respect to all such liability insurance maintained by Seller. Seller will pay or cause to be paid, the premiums therefor and deliver to the Agent evidence satisfactory to the Agent of such insurance coverage. Copies of each policy shall be furnished to the Agent and any Purchaser in certificated form upon the Agent’s or such Purchaser’s request. The foregoing requirements shall not be construed to negate, reduce or modify, and are in addition to, Seller’s obligations hereunder.

(m) Payment to Originator. With respect to any Receivable purchased by Seller from Originator, such sale shall be effected under, and in strict compliance with the terms of, the Receivables Sale Agreement, including, without limitation, the terms relating to the amount and timing of payments to be made to Originator in respect of the purchase price for such Receivable.

(n) Segregation of Other Servicer Collected Funds. The Servicer shall, within six (6) days of the date any Other Servicer Collected Funds are deposited, credited or funded to any Collection Account, (i) specifically identify all such Other Servicer Collected Funds and (ii) cause all Other Servicer Collected Funds to be transferred from the applicable Collection Account.

(o) Elimination of Other Servicer Collected Funds. Subject to Section 7.1(n), each Seller Party shall prevent all Other Servicer Collected Funds from being deposited, credited or otherwise funded to, any and all Collection Accounts.

(p) General Ledger and Certain Receivables. Such Seller Party shall maintain its consolidated general accounting ledger such that all indebtedness and other obligations owed to any Originating Entity or in which any Originating Entity has a security interest or other interest arising in connection with the sale of merchandise or the rendering of services by any Originating Entity and sold to Seller are recorded as part of general ledger category “company code 0100,” “company code 1001” or “company code US10”; provided however, that from and after December 28, 2010 indebtedness or other obligations owed to any Originating Entity or in which any Originating Entity has a security interest or other interest arising in connection with the sale of merchandise or the rendering of services by the business previously conducted by businesses acquired by Originator in an Excluded Acquisition shall not be recorded as part of general ledger category “company code 0100,” “company code 1001” or “company code US10” until such time, if any, as such indebtedness or other obligations are originated, serviced and collected in a manner substantially similar to the Receivables.

(q) Anti-Corruption Laws and Sanctions. Each Seller Party will maintain in effect and enforce policies and procedures designed to ensure compliance by it and its directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Section 7.2 Negative Covenants of The Seller Parties. Until the date on which the Aggregate Unpaid have been indefeasibly paid in full and this Agreement terminates in accordance with its terms, each Seller Party hereby covenants, as to itself (and not as to any other Seller Party), that:

(a) Name Change, Jurisdiction of Organization, Corporate Structure, Offices and Records. Such Seller Party will not change its name, identity, jurisdiction of organization or corporate structure (within the meaning of Sections 9-503 and/or 9-507 of the UCC of all applicable jurisdictions) or relocate its chief executive office, principal place of business or any office where Records are kept unless it shall have: (i) given the Agent at least forty-five (45) days’ prior written notice thereof and (ii) delivered to the Agent all financing statements, instruments and other documents requested by the Agent in connection with such change or relocation.

(b) Change in Payment Instructions to Obligors. Except as may be required by the Agent pursuant to Section 8.2(b), such Seller Party will not add or terminate any bank as a Collection Bank, or make any change in the instructions to Obligors regarding payments to be made to any Lock-Box or Collection Account, unless the Agent shall have received, at least ten (10) days before the proposed effective date therefor, (i) written notice of such addition, termination or change and (ii) with respect to the addition of a Collection Bank or a Collection Account or Lock-Box, an executed Collection Account Agreement with respect to the new Collection Account or Lock-Box; provided, however, that the Servicer may make changes in instructions to Obligors regarding payments if such new instructions require such Obligors to make payments to another existing Collection Account.

(c) Modifications to Contracts and Credit and Collection Policy. Such Seller Party will not make or permit to be made any change to a Credit and Collection Policy that could adversely affect the collectibility of the Receivables or decrease the credit quality of any newly created Receivables. Except as provided in Section 8.2(d), the Servicer will not extend, amend or otherwise modify the terms of any Receivable or any Contract related thereto other than in accordance with the applicable Credit and Collection Policy.

(d) Sales, Liens. Seller will not sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Adverse Claim upon (including, without limitation, the filing of any financing statement) or with respect to, any of its Receivables, Related Security or Collections, or upon or with respect to any Contract under which any of its Receivables arise, or any Lock-Box or Collection Account, or assign any right to receive income with respect thereto (other than, in each case, the creation

of the interests therein in favor of the Agent and the Purchasers provided for herein), and Seller will defend the right, title and interest of the Agent and the Purchasers in, to and under any of the foregoing property, against all claims of third parties claiming through or under Seller or any Originating Entity.

(e) Aggregate Capital. Other than in compliance with Section 2.6, at no time prior to the Amortization Date shall Seller permit the Aggregate Capital to be greater than 97% or, if the Purchaser Interest Condition is existing at such time, 100% of the amount equal to (i) the Net Receivables Balance, minus (ii) the Aggregate Reserves.

(f) Termination Date Determination. Seller will not designate the Termination Date (as defined in the Receivables Sale Agreement), or send any written notice to Originator in respect thereof, without the prior written consent of the Agent, except with respect to the occurrence of such Termination Date arising pursuant to Section 5.1(d) of the Receivables Sale Agreement.

(g) Restricted Junior Payments. From and after the occurrence of any Amortization Event, Seller will not make any Restricted Junior Payment if, after giving effect thereto, Seller would fail to meet its obligations set forth in Section 7.2(e).

(h) Anti-Corruption Laws and Sanctions. The Seller shall not, directly or indirectly, sell any Purchaser Interest, and it will not knowingly use or procure for the use of any of its Subsidiaries, joint venture partner or other individual entity, the proceeds of the sale of any Purchaser Interest to fund any activities of or business with any individual or entity, or in any Sanctioned Country, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity of Sanctions.

ARTICLE VIII ADMINISTRATION AND COLLECTION

Section 8.1 Designation of Servicer. (a) The servicing, administration and collection of the Receivables shall be conducted by such Person (the “Servicer”) so designated from time to time in accordance with this Section 8.1. Avnet is hereby designated as, and hereby agrees to perform the duties and obligations of, the Servicer pursuant to the terms of this Agreement. The Agent (on behalf of the Purchasers) may, and at the direction of the Required Purchasers shall, at any time after the occurrence of any Amortization Event, designate as Servicer any Person to succeed Avnet or any successor Servicer.

(b) Without the prior written consent of the Agent and the Required Purchasers, Avnet shall not be permitted to delegate any of its duties or responsibilities as Servicer to any Person other than (i) Seller and (ii) with respect to certain Charged-Off Receivables, outside collection agencies or law firms, taking action in connection with collection activities, in accordance with its customary practices. Seller shall not be permitted to further delegate to any other Person any of the duties or responsibilities of the Servicer delegated to it by Avnet. If at any time the Agent shall designate as Servicer any Person other than Avnet, all duties and responsibilities theretofore delegated by Avnet to Seller may, at the discretion of the Agent, be terminated forthwith on notice given by the Agent to Avnet and to Seller.

(c) Notwithstanding the foregoing subsection (b), (i) Avnet shall be and remain primarily liable to the Agent and the Purchasers for the full and prompt performance of all duties and responsibilities of the Servicer hereunder (unless a successor servicer has been designated by the Agent pursuant to Section 8.1 hereof) and (ii) the Agent and the Purchasers shall be entitled to deal exclusively with Avnet in matters relating to the discharge by the Servicer of its duties and responsibilities hereunder. The Agent and the Purchasers shall not be required to give notice, demand or other communication to any Person other than Avnet in order for communication to the Servicer and its sub-servicer or other delegate with respect thereto to be accomplished. Avnet, at all times that it is the Servicer, shall be responsible for providing any sub-servicer or other delegate of the Servicer with any notice given to the Servicer under this Agreement.

Section 8.2 Duties of Servicer. (a) The Servicer shall take or cause to be taken all such actions as may be necessary or advisable to collect each Receivable from time to time, all in accordance with applicable laws, rules and regulations, with reasonable care and diligence, and in accordance with the applicable Credit and Collection Policy.

(b) The Servicer will instruct all Obligor to pay all Collections directly to a Lock-Box or Collection Account. The Servicer shall effect a Collection Account Agreement substantially in the form of Exhibit VI with each bank party to a Collection Account at any time. In the case of any remittances received in any Lock-Box or Collection Account that shall have been identified, to the satisfaction of the Servicer, to not constitute Collections or other proceeds of the Receivables or the Related Security, the Servicer shall promptly remit such items to the Person identified to it as being the owner of such remittances. From and after the date the Agent delivers to any Collection Bank a Collection Notice pursuant to Section 8.3, the Agent may request that the Servicer, and the Servicer thereupon promptly shall instruct all Obligor with respect to the Receivables to, remit all payments thereon to a new depository account specified by the Agent and, at all times thereafter, Seller and the Servicer shall not deposit or otherwise credit, and shall not permit any other Person to deposit or otherwise credit to such new depository account any cash or payment item other than Collections. The Agent shall notify each Financial Institution of such new depository account.

(c) The Servicer shall administer the Collections in accordance with the procedures described herein and in Article II. The Servicer shall set aside and hold in trust for the account of Seller and the Purchasers their respective shares of the Collections in accordance with Article II. The Servicer shall, upon the request of the Agent, segregate, in a manner acceptable to the Agent, all cash, checks and other instruments received by it from time to time constituting Collections from the general funds of the Servicer or Seller prior to the remittance thereof in accordance with Article II. If the Servicer shall be required to segregate Collections pursuant to the preceding sentence, the Servicer shall segregate and deposit with a bank designated by the Agent such allocable share of Collections of Receivables set aside for the Purchasers on the first Business Day following receipt by the Servicer of such Collections, duly endorsed or with duly executed instruments of transfer.

(d) The Servicer may, in accordance with the applicable Credit and Collection Policy, extend the maturity of any Receivable or adjust the Outstanding Balance of any Receivable as the Servicer determines to be appropriate to maximize Collections thereof; provided, however, that such extension or adjustment shall not alter the status of such Receivable as a Delinquent Receivable or Charged-Off Receivable or limit the rights of the Agent or the Purchasers under this Agreement. Notwithstanding anything to the contrary contained herein, the Agent shall have the right, in its sole discretion, to direct the Servicer to take all actions that a reasonable business person, exercising prudent business judgment, would undertake to commence or settle any legal action with respect to any Receivable or to foreclose upon or repossess any Related Security.

(e) The Servicer shall hold in trust for Seller and the Purchasers all Records that (i) evidence or relate to the Receivables, the related Contracts and Related Security or (ii) are otherwise necessary or desirable to collect the Receivables and shall, as soon as practicable upon demand of the Agent, deliver or make available to the Agent all such Records, at a place selected by the Agent. The Servicer shall, as soon as practicable following receipt thereof turn over to Seller any cash collections or other cash proceeds received with respect to Indebtedness owed to Seller not constituting Receivables. The Servicer shall, from time to time at the request of any Purchaser, furnish to the Purchasers (promptly after any such request) a calculation of the amounts set aside for the Purchasers pursuant to Article II.

(f) Any payment by an Obligor in connection with any Receivables in respect of any indebtedness owed by it to any Originating Entity or Seller shall, except as otherwise specified by such Obligor or otherwise required by contract or law and unless otherwise instructed by the Agent, be applied as a Collection of any Receivable of such Obligor (starting with the oldest such Receivable) to the extent of any amounts then due and payable thereunder before being applied to any other receivable or other obligation of such Obligor.

Section 8.3 Collection Notices. The Agent is authorized at any time after the occurrence of any Amortization Event to date and to deliver to the Collection Banks the Collection Notices. The Agent agrees to notify the Seller promptly after the delivery of such Collection Notices to the Collection Banks. Seller hereby transfers to the Agent for the benefit of the Purchasers, effective when the Agent delivers such notice, the dominion and control

and “control” (within the meaning of Section 9-104 of the UCC of all applicable jurisdictions) of each Lock-Box, each Collection Account and the amounts on deposit therein. In case any authorized signatory of Seller whose signature appears on a Collection Account Agreement shall cease to have such authority before the delivery of such notice, such Collection Notice shall nevertheless be valid as if such authority had remained in force. Seller hereby authorizes the Agent, and agrees that the Agent shall be entitled to (i) endorse Seller’s name on checks and other instruments representing Collections, (ii) enforce the Receivables, the related Contracts and the Related Security and (iii) take such action as shall be necessary or desirable to cause all cash, checks and other instruments constituting Collections of Receivables to come into the possession of the Agent rather than Seller. The Agent agrees that after delivery of a Collection Notice, the Collection Banks may continue to provide or otherwise make available to the Seller and the Servicer copies of all correspondence or other mail which will be sent directly to the Agent subsequent to the delivery of such Collection Notice pursuant to the Collection Account Agreements.

Section 8.4 Responsibilities of Seller. Anything herein to the contrary notwithstanding, the exercise by the Agent and the Purchasers of their rights hereunder shall not release the Servicer, any Originating Entity or Seller from any of their duties or obligations with respect to any Receivables or under the related Contracts. The Purchasers shall have no obligation or liability with respect to any Receivables or related Contracts, nor shall any of them be obligated to perform the obligations of Seller.

Section 8.5 Reports. The Servicer shall prepare and forward to the Agent (and upon receipt thereof the Agent will forward the same to each Company or its designee) (i) by 1:00 p.m. (Chicago time) on the tenth Business Day following the last day of each fiscal month of the Servicer and at such times as the Agent or the Required Purchasers shall request, a Monthly Report (which shall include a work sheet calculating the Net Receivables Balance and the amount of Eligible Receivables), (ii) by 1:00 p.m. (Chicago time) on the third Business Day of each calendar week (other than a calendar week in which a Monthly Report is required to be delivered pursuant to clause (i) of this sentence) following any calendar week during which at any time the Weekly Reporting Condition existed, a Weekly Report with respect to such preceding calendar week and (iii) at such times as the Agent or the Required Purchasers shall request, a listing by Obligor of all Receivables together with an aging of such Receivables.

Section 8.6 Servicing Fees. In consideration of Avnet’s agreement to act as Servicer hereunder, the Purchasers hereby agree that, so long as Avnet shall continue to perform as Servicer hereunder, Seller shall pay over to Avnet a fee (the “Servicing Fee”) on the first calendar day of each month, in arrears for the immediately preceding month, equal to 1/12 of 1% per annum (in an aggregate amount equal to 1% per annum) of the average Net Receivables Balance during such period, as compensation for its servicing activities.

Section 8.7 Limited Recourse to Servicer. Purchasers shall have no recourse to Servicer for any amounts due hereunder, other than those specifically provided to be paid by Servicer hereunder and under the other Transaction Documents, including, without limitation, for amounts payable pursuant to Section 10.1(b) hereof.

Section 8.8 CRD Compliance. The Servicer agrees, for the benefit of each Purchaser that is required to comply with the requirements of Article 122(a) of the CRD, that from and after August 25, 2011 (a) it shall retain a net economic interest in the Receivables in an amount at least equal to 5% of the nominal value of the Purchaser Interests in accordance with Article 122a(1) of the CRD, (b) it shall not change the manner in which it retains such net economic interest, except to the extent such change is permitted under Article 122a(1) of the CRD, (c) it shall not enter into any credit risk mitigation, short position or any other hedge with respect to such net economic interest, except to the extent permitted under Article 122a(1) of the CRD and (d) provide any information that the Purchasers may require in order to comply with their respective obligations under Articles 122a(4) and (5) of the CRD.

ARTICLE IX AMORTIZATION EVENTS

Section 9.1 Amortization Events. The occurrence of any one or more of the following events shall constitute an Amortization Event:

(a) (i) Any Seller Party shall fail to make any payment or deposit required to be made by such Seller Party hereunder when due and, for any such payment or deposit which is not in respect of Capital, such failure continues for one (1) day, or (ii) any Seller Party or any Originating Entity shall fail to perform or observe any term, covenant or agreement applicable to it hereunder (other than as referred to in clause (i) of this paragraph (a) and Section 9.1(e)) or any other Transaction Document and such failure shall continue for three (3) consecutive Business Days.

(b) (i) Any representation, warranty, certification or statement made by any Seller Party or any Originating Entity in this Agreement (other than the representation or warranty set forth in Section 5.1(v)), any other Transaction Document or in any other document delivered pursuant hereto or thereto shall prove to have been incorrect when made or deemed made or (ii) the representation or warranty set forth in Section 5.1(v) shall prove to have been incorrect when made or deemed made and such breach of Section 5.1(v) is not cured within one (1) Business Day if such breached representation or warranty was made or deemed as of the date of any Weekly Report or Monthly Report or within five (5) Business Days if such breached representation or warranty was made or deemed as of any date other than the date of any Weekly Report or Monthly Report.

(c) Failure of Seller to pay any Indebtedness when due; or the failure of Servicer to pay any Indebtedness in excess of \$35 million, individually or in the aggregate, when due; or the default by Servicer, or any affiliate of Servicer which is a party thereto, in the performance of any term, provision or condition contained in the Credit Agreement, the effect of which is to cause, or to permit the holder or holders of such Indebtedness to cause, such Indebtedness to become due prior to its stated maturity; or any Indebtedness of any Seller Party in excess of \$35 million (other than the Credit Agreement) shall be caused to be declared due and payable, or shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to the date of maturity thereof.

(d) (i) Any Seller Party or any of its Subsidiaries shall generally not pay its debts as such debts become due or shall admit in writing its inability to pay its debts generally or shall make a general assignment for the benefit of creditors; or (ii) any proceeding shall be instituted by or against any Seller Party or any of its Subsidiaries seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property or (iii) any Seller Party or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth in clauses (i) or (ii) above in this subsection (d).

(e) Seller shall fail to comply with the terms of Section 2.6 hereof.

(f) As at the end of any fiscal month, the three-month rolling average of the Delinquency Ratio Trigger shall exceed 9.50%, or the three-month rolling average of the Dilution Ratio Trigger shall exceed 9.00%, or the three-month rolling average of the Loss Ratio Trigger shall exceed 7.00%.

(g) A Change of Control shall occur.

(h) (i) the "Consolidated Interest Coverage Ratio" (as defined in the Credit Agreement) as of the end of any period of four fiscal quarters of Avnet shall be less than 3.00 to 1.00 or (ii) the "Consolidated Leverage Ratio" (as defined in the Credit Agreement) at any time shall be greater than 4.00 to 1.00.

(i) (i) One or more final judgments for the payment of money shall be entered against Seller or (ii) one or more final judgments for the payment of money in an amount in excess of \$50,000,000, individually or in the aggregate, shall be entered against any Originating Entity on claims not covered by insurance or as to which the insurance carrier has denied its responsibility, and such judgment shall continue unsatisfied and in effect for thirty (30) consecutive days without a stay of execution.

(j) The "Termination Date" under and as defined in the Receivables Sale Agreement shall occur under the Receivables Sale Agreement; the "Termination Date" under and as defined in the Subsidiary

RSA shall occur under the Subsidiary RSA; the Subsidiary Originator shall for any reason cease to transfer, or cease to have the legal capacity to transfer, or otherwise be incapable of transferring Receivables to Originator under the Subsidiary RSA; or Originator shall for any reason cease to transfer, or cease to have the legal capacity to transfer, or otherwise be incapable of transferring Receivables to Seller under the Receivables Sale Agreement.

(k) This Agreement shall terminate in whole or in part (except in accordance with its terms), or shall cease to be effective or to be the legally valid, binding and enforceable obligation of Seller, or any Obligor shall directly or indirectly contest in any manner such effectiveness, validity, binding nature or enforceability, or the Agent for the benefit of the Purchasers shall cease to have a valid and perfected first priority security interest in the Receivables, the Related Security and the Collections with respect thereto and the Collection Accounts.

Section 9.2 Remedies. Upon the occurrence and during the continuation of an Amortization Event, the Agent may, or upon the direction of the Required Purchasers shall, take any of the following actions: (i) replace the Person then acting as Servicer, (ii) with prior written notice to the Servicer (except as provided in the following proviso), declare the Amortization Date to have occurred, whereupon the Amortization Date shall forthwith occur; provided, however, that upon the occurrence of an Amortization Event described in Section 9.1(d) (ii), or of an actual or deemed entry of an order for relief with respect to any Seller Party under the Federal Bankruptcy Code, the Amortization Date shall automatically occur, without demand, protest or any notice of any kind, all of which are hereby expressly waived by each Seller Party, (iii) to the fullest extent permitted by applicable law, declare that the Default Fee shall accrue with respect to any of the Aggregate Unpays outstanding at such time, (iv) deliver the Collection Notices to the Collection Banks, and (v) notify Obligors of the Purchasers' interest in the Receivables. The aforementioned rights and remedies shall be without limitation, and shall be in addition to all other rights and remedies of the Agent and the Purchasers otherwise available under any other provision of this Agreement, by operation of law, at equity or otherwise, all of which are hereby expressly preserved, including, without limitation, all rights and remedies provided under the UCC (or any comparable law), all of which rights shall be cumulative.

ARTICLE X INDEMNIFICATION

Section 10.1 Indemnities by The Seller Parties. (a) Without limiting any other rights that the Agent, any Purchaser, any Funding Source or any of their respective Affiliates may have hereunder or under applicable law, Seller hereby agrees to indemnify (and pay upon demand to) the Agent, each Funding Source, each Purchaser and their respective Affiliates, assigns, officers, directors, agents and employees (each an "Indemnified Party") from and against any and all damages, losses, claims, taxes, liabilities, costs, expenses and for all other amounts payable, including reasonable attorneys' fees (which attorneys may be employees of the Agent or such Purchaser) and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by any of them arising out of or as a result of this Agreement, or the use of the proceeds of any purchase hereunder, or the acquisition, funding or ownership, either directly or indirectly, by a Purchaser or a Funding Source of a Purchaser Interest or of an interest in the Receivables, or any Receivable or any Contract or any Related Security, or any action of any Seller Party or any Originating Entity or any Affiliate of any Seller Party or any Originating Entity, excluding, however:

(i) Indemnified Amounts to the extent a final judgment of a court of competent jurisdiction holds that such Indemnified Amounts resulted from gross negligence or willful misconduct on the part of the Indemnified Party seeking indemnification;

(ii) Indemnified Amounts to the extent the same includes losses in respect of Receivables that are uncollectible on account of the insolvency, bankruptcy or lack of creditworthiness of the related Obligor; or

(iii) taxes imposed by the jurisdiction in which such Indemnified Party's principal executive office is located, on or measured by the overall net income of such Indemnified Party to the extent that the computation of such taxes is consistent with the characterization for income tax purposes of the acquisition by the Purchasers of Purchaser Interests

as a loan or loans by the Purchasers to Seller secured by the Receivables, the Related Security, the Collection Accounts and the Collections;

provided, however, that nothing contained in this sentence shall limit the liability of Seller or limit the recourse of the Purchasers to Seller for amounts otherwise specifically provided to be paid by Seller under the terms of this Agreement. Without limiting the generality of the foregoing indemnification, Seller shall indemnify each Indemnified Party for Indemnified Amounts (including, without limitation, losses in respect of uncollectible receivables, regardless of whether reimbursement therefor would constitute recourse to Seller or the Servicer) relating to or resulting from:

(i) any representation or warranty made by any Seller Party or any Originating Entity (or any officers of any such Person) under or in connection with this Agreement, any other Transaction Document or any other information or report delivered by any such Person pursuant hereto or thereto, which shall have been false or incorrect when made or deemed made;

(ii) the failure by Seller, the Servicer or any Originating Entity to comply with any applicable law, rule or regulation with respect to any Receivable or Contract related thereto, or the nonconformity of any Receivable or Contract included therein with any such applicable law, rule or regulation or any failure of such Originating Entity to keep or perform any of its obligations, express or implied, with respect to any Contract;

(iii) any failure of Seller, the Servicer or any Originating Entity to perform its duties, covenants or other obligations in accordance with the provisions of this Agreement or any other Transaction Document;

(iv) any products liability, personal injury or damage suit, or other similar claim arising out of or in connection with merchandise, insurance or services that are the subject of any Contract or any Receivable;

(v) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Receivable (including, without limitation, a defense based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the merchandise or service related to such Receivable or the furnishing or failure to furnish such merchandise or services;

(vi) the commingling of Collections of Receivables at any time with other funds;

(vii) any investigation, litigation or proceeding related to or arising from this Agreement or any other Transaction Document, the transactions contemplated hereby, the use of the proceeds of an Incremental Purchase or a Reinvestment, the ownership of the Purchaser Interests or any other investigation, litigation or proceeding relating to Seller, the Servicer or any Originating Entity in which any Indemnified Party becomes involved as a result of any of the transactions contemplated hereby;

(viii) any inability to litigate any claim against any Obligor in respect of any Receivable as a result of such Obligor being immune from civil and commercial law and suit on the grounds of sovereignty or otherwise from any legal action, suit or proceeding;

(ix) any Amortization Event described in Section 9.1(d);

(x) any failure of Originator to acquire and maintain legal and equitable title to, and ownership of any Receivable and the Related Security and Collections with respect thereto from the Subsidiary Originator or any failure of Seller to acquire and maintain legal and equitable title to, and ownership of any Receivable and the Related Security and Collections with respect thereto from Originator, in each case, free and clear of any Adverse Claim (other than as created hereunder); or any failure of Originator to give reasonably equivalent value to the Subsidiary Originator under the Subsidiary RSA in consideration of the transfer by the Subsidiary Originator of any Receivable, any failure of Seller to give reasonably equivalent value to Originator under the Receivables Sale Agreement in consideration of the transfer by Originator of any Receivable, or any attempt by any Person to void any such transfer under statutory provisions or common law or equitable action;

(xi) any failure to vest and maintain vested in the Agent for the benefit of the Purchasers, or to transfer to the Agent for the benefit of the Purchasers, legal and equitable title to, and ownership of, a first priority perfected undivided percentage ownership interest (to the extent of the Purchaser Interests contemplated hereunder) or security interest in the Receivables, the Related Security and the Collections, free and clear of any Adverse Claim (except as created by the Transaction Documents);

(xii) the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents under the UCC (or any comparable law) of any applicable jurisdiction or other applicable laws with respect to any Receivable, the Related Security and Collections with respect thereto, and the proceeds of any thereof, whether at the time of any Incremental Purchase or Reinvestment or at any subsequent time;

(xiii) any action or omission by any Seller Party or any Originating Entity which reduces or impairs the rights of the Agent or the Purchasers with respect to any Receivable or the value of any such Receivable;

(xiv) any attempt by any Person to void any Incremental Purchase or Reinvestment hereunder under statutory provisions or common law or equitable action; and

(xv) the failure of any Receivable included in the calculation of the Net Receivables Balance as an Eligible Receivable to be an Eligible Receivable at the time so included.

(b) Without limiting any other rights that the Agent, any Purchaser, any Funding Source or any of their respective Affiliates may have hereunder or under applicable law, the Servicer hereby agrees to indemnify (and pay upon demand to) each Indemnified Party for Indemnified Amounts awarded against or incurred by any of them arising out of the Servicer's activities as Servicer hereunder excluding, however:

(i) Indemnified Amounts to the extent a final judgment of a court of competent jurisdiction holds that such Indemnified Amounts resulted from gross negligence or willful misconduct on the part of the Indemnified Party seeking indemnification;

(ii) Indemnified Amounts to the extent the same includes losses in respect of Receivables that are uncollectible on account of the insolvency, bankruptcy or lack of creditworthiness of the related Obligor; or

(iii) taxes imposed by the jurisdiction in which such Indemnified Party's principal executive office is located, on or measured by the overall net income of such Indemnified Party to the extent that the computation of such taxes is consistent with the characterization for income tax purposes of the acquisition by the Purchasers of Purchaser Interests

as a loan or loans by the Purchasers to Seller secured by the Receivables, the Related Security, the Collection Accounts and the Collections;

provided, however, that nothing contained in this sentence shall limit the liability of Servicer or limit the recourse of the Purchasers to Servicer for amounts otherwise specifically provided to be paid by Servicer under the terms of this Agreement.

Section 10.2 Increased Cost and Reduced Return. (a) If any Regulatory Requirement (i) subjects any Purchaser or any Funding Source to any charge or withholding on or with respect to any Funding Agreement or this Agreement or a Purchaser's or Funding Source's obligations under a Funding Agreement or this Agreement, or on or with respect to the Receivables, or changes the basis of taxation of payments to any Purchaser or any Funding Source of any amounts payable under any Funding Agreement or this Agreement (except for changes in the rate of tax on the overall net income of a Purchaser or Funding Source or taxes excluded by Section 10.1) or (ii) imposes, modifies or deems applicable any reserve, assessment, fee, tax, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or liabilities of a Funding Source or a Purchaser, or credit extended by a Funding Source or a Purchaser pursuant to a Funding Agreement or this Agreement or (iii) imposes any other condition the result of which is to increase the cost to a Funding Source or a Purchaser of performing its obligations under a Funding Agreement or this Agreement, or to reduce the rate of return on a Funding Source's or Purchaser's capital or assets as a consequence of its obligations under a Funding Agreement or this Agreement, or to reduce the amount of any sum received or receivable by a Funding Source or a Purchaser under a Funding Agreement or this Agreement, or to require any payment calculated by reference to the amount of interests or loans held or interest received by it, then, upon demand by the Agent, which demand shall be made at least 30 days prior to the date of any payment by the Seller pursuant to this Section 10.2 and shall include an explanation in reasonable detail of the manner in which such amounts shall have been determined, Seller shall pay to the Agent, for the benefit of the relevant Funding Source or Purchaser, such amounts charged to such Funding Source or Purchaser or such amounts to otherwise compensate such Funding Source or such Purchaser for such increased cost or such reduction. Notwithstanding anything to the contrary contained herein, Seller shall not be liable for any amounts for any such costs or reduced returns incurred by the party demanding payment under this Section 10.2 more than 90 days before the related demand for payment. The term "Regulatory Requirement" shall mean (i) the adoption after August 26, 2010 of any applicable law, rule or regulation (including any applicable law, rule or regulation regarding capital adequacy or liquidity coverage) or any change therein after August 26, 2010, (ii) any change after August 26, 2010 in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency, or (iii) the compliance, whether commenced prior to or after August 25, 2011, by any Funding Source or Purchaser with (A) the final rule titled Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Regulatory Capital; Impact of Modifications to Generally Accepted Accounting Principles; Consolidation of Asset-Backed Commercial Paper Programs; and Other Related Issues, adopted by the United States bank regulatory agencies on December 15, 2009, (B) the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended from time to time, (C) any requests, rules, regulations, guidelines or directives promulgated in connection with the foregoing by any such agency or (D) any requests, rules, regulations, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III.

(b) A certificate of the applicable Purchaser or Funding Source setting forth the amount or amounts necessary to compensate such Purchaser or Funding Source pursuant to paragraph (a) of this Section 10.2 shall be delivered to the Seller and shall be conclusive absent manifest error.

(c) If any Purchaser or any Funding Source has or anticipates having any claim for compensation from the Seller pursuant to clause (iii) of the definition of Regulatory Requirement appearing in paragraph (a) of this Section 10.2, and such Purchaser or Funding Source, or the Seller or the Servicer (each, an "Electing Party") believes that having the facility publicly rated by

one credit rating agency would reduce the amount of such compensation by an amount deemed by such Electing Party to be material, such Electing Party shall provide written notice to the related Consenting Parties (as defined below), the Seller and the Servicer, as applicable (a “Ratings Request”), that such Electing Party intends to request a public rating of the facility from one credit rating agency, selected by a Purchaser or Funding Source that is an Electing Party or a Consenting Party (as defined below) and reasonably acceptable to the Seller, of at least A-, A3 or the equivalent (the “Required Rating”). If the Electing Party is either the Seller or the Servicer, then such Ratings Request will only be made with the consent of the related Purchasers or Funding Sources for which the Electing Party believes the compensation will be materially reduced (each, a “Consenting Party”), it being understood that any consent given by a Consenting Party with respect to a Ratings Request will not, in itself, be deemed to be consent to any reduction in compensation. The Seller and the Servicer agree that they shall cooperate with such Electing Party’s efforts to obtain the Required Rating, and shall provide the applicable credit rating agency (either directly or through distribution to the Agent or Electing Party), any information requested by such credit rating agency for purposes of providing and monitoring the Required Rating. Each Consenting Party electing to receive the related ratings letter and each Electing Party shall share the cost of the initial fees payable to the credit rating agency for providing the related rating and all ongoing fees payable to the credit rating agency for their continued monitoring of the related rating. Nothing in this Section 10.2(c) shall preclude any Purchaser or Funding Source from demanding compensation from the Seller pursuant to Section 10.2(a) hereof at any time and without regard to whether the Required Rating shall have been obtained, or shall require any Purchaser or Funding Source to obtain any rating on the facility prior to demanding any such compensation from the Seller.

Section 10.3 Other Costs and Expenses. Seller shall pay to the Agent and each Purchaser on demand all costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of this Agreement, the transactions contemplated hereby and the other documents to be delivered hereunder, including without limitation, the cost of any Purchaser’s auditors auditing the books, records and procedures of Seller, reasonable fees and out-of-pocket expenses of legal counsel for each Purchaser and the Agent (which such counsel may be employees of any Purchaser or the Agent) with respect thereto and with respect to advising any Purchaser and the Agent as to their respective rights and remedies under this Agreement. Seller shall pay to the Agent and each Purchaser on demand any and all costs and expenses of the Agent and the Purchasers, if any, including reasonable counsel fees and expenses in connection with the enforcement of this Agreement and the other documents delivered hereunder and in connection with any restructuring or workout of this Agreement or such documents, or the administration of this Agreement following an Amortization Event. Seller shall reimburse each Company on demand for all other costs and expenses incurred by such Company (“Other Costs”), including, without limitation, the cost of auditing such Company’s books by certified public accountants, the cost of rating the Commercial Paper by independent financial rating agencies, and the reasonable fees and out-of-pocket expenses of counsel for such Company or any counsel for any shareholder of such Company with respect to advising such Company or such shareholder as to matters relating to such Company’s operations.

Section 10.4 Allocations. Each Company shall allocate the liability for Other Costs among Seller and other Persons with whom such Company has entered into agreements to purchase interests in receivables (“Other Sellers”). If any Other Costs are attributable to Seller and not attributable to any Other Seller, Seller shall be solely liable for such Other Costs. However, if Other Costs are attributable to Other Sellers and not attributable to Seller, such Other Sellers shall be solely liable for such Other Costs. All allocations to be made pursuant to the foregoing provisions of this Article X shall be made by the applicable Company in its sole discretion and shall be binding on Seller and the Servicer.

ARTICLE XI
THE AGENT

Section 11.1 Authorization and Action. Each Purchaser hereby designates and appoints JPM Chase to act as its agent hereunder and under each other Transaction Document, and authorizes the Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Agent by the terms of this Agreement and the other Transaction Documents together with such powers as are reasonably incidental thereto. The Agent shall not have any duties or responsibilities, except those expressly set forth herein or in any other Transaction Document, or any fiduciary relationship with any Purchaser, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Agent shall be read into this Agreement or any other Transaction Document or otherwise exist for the Agent. In performing its functions and duties hereunder and under the other Transaction Documents, the Agent shall act solely as agent for the Purchasers and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for any Seller Party or any of such Seller Party's successors or assigns. The Agent shall not be required to take any action that exposes the Agent to personal liability or that is contrary to this Agreement, any other Transaction Document or applicable law. The appointment and authority of the Agent hereunder shall terminate upon the indefeasible payment in full of all Aggregate Unpaid. Each Purchaser hereby authorizes the Agent to execute each of the Uniform Commercial Code financing or continuation statements (and amendments thereto and assignments or terminations thereof) on behalf of such Purchaser (the terms of which shall be binding on such Purchaser).

Section 11.2 Delegation of Duties. The Agent may execute any of its duties under this Agreement and each other Transaction Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 11.3 Exculpatory Provisions. Neither the Agent nor any of its directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement or any other Transaction Document (except for its, their or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Purchasers for any recitals, statements, representations or warranties made by any Seller Party contained in this Agreement, any other Transaction Document or any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement, or any other Transaction Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, or any other Transaction Document or any other document furnished in connection herewith or therewith, or for any failure of any Seller Party to perform its obligations hereunder or thereunder, or for the satisfaction of any condition specified in Article VI, or for the perfection, priority, condition, value or sufficiency of any collateral pledged in connection herewith. The Agent shall not be under any obligation to any Purchaser to ascertain or to inquire as to the observance or performance of any of the agreements or covenants contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Seller Parties. The Agent shall not be deemed to have knowledge of any Amortization Event or Potential Amortization Event unless the Agent has received notice from Seller or a Purchaser.

Section 11.4 Reliance by Agent. The Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to Seller), independent accountants and other experts selected by the Agent. The Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Required Purchasers or all of the Purchasers, as applicable, as it deems appropriate and it shall first be indemnified to its satisfaction by the Purchasers, provided that unless and until the Agent shall have received such advice, the Agent may take or refrain from taking any action, as the Agent shall deem advisable and in the best interests of the Purchasers. The Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of the Required Purchasers or all of the Purchasers, as applicable, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Purchasers.

Section 11.5 Non-Reliance on Agent and Other Purchasers. Each Purchaser expressly acknowledges that neither the Agent, nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates

has made any representations or warranties to it and that no act by the Agent hereafter taken, including, without limitation, any review of the affairs of any Seller Party, shall be deemed to constitute any representation or warranty by the Agent. Each Purchaser represents and warrants to the Agent that it has and will, independently and without reliance upon the Agent or any other Purchaser and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of Seller and made its own decision to enter into this Agreement, the other Transaction Documents and all other documents related hereto or thereto.

Section 11.6 Reimbursement and Indemnification. Each Financial Institution agrees to reimburse and indemnify the Agent and its officers, directors, employees, representatives and agents ratably based on the ratio of each such indemnifying Financial Institution's Commitment to the aggregate Commitment, to the extent not paid or reimbursed by the Seller Parties (i) for any amounts for which the Agent, acting in its capacity as Agent, is entitled to reimbursement by the Seller Parties hereunder and (ii) for any other expenses incurred by the Agent, in its capacity as Agent and acting on behalf of the Purchasers, in connection with the administration and enforcement of this Agreement and the other Transaction Documents.

Section 11.7 Agent in its Individual Capacity. The Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with Seller or any Affiliate of Seller as though the Agent were not the Agent hereunder. With respect to the acquisition of Purchaser Interests pursuant to this Agreement, the Agent shall have the same rights and powers under this Agreement in its individual capacity as any Purchaser and may exercise the same as though it were not the Agent, and the terms "Financial Institution," "Purchaser," "Related Financial Institution," "Financial Institutions," "Purchasers," and "Related Financial Institutions," shall include the Agent in its individual capacity.

Section 11.8 Successor Agent. The Agent may, upon five days' notice to Seller and the Purchasers, and the Agent will, upon the direction of all of the Purchasers (other than the Agent, in its individual capacity), resign as Agent. If the Agent shall resign, then the Required Purchasers during such five-day period shall appoint from among the Purchasers a successor agent. If for any reason no successor Agent is appointed by the Required Purchasers during such five-day period, then effective upon the termination of such five-day period, the Purchasers shall perform all of the duties of the Agent hereunder and under the other Transaction Documents and Seller and the Servicer (as applicable) shall make all payments in respect of the Aggregate Unpaid directly to the applicable Purchasers and for all purposes shall deal directly with the Purchasers. After the effectiveness of any retiring Agent's resignation hereunder as Agent, the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Transaction Documents and the provisions of this Article XI and Article X shall continue in effect for its benefit with respect to any actions taken or omitted to be taken by it while it was Agent under this Agreement and under the other Transaction Documents.

ARTICLE XII ASSIGNMENTS; PARTICIPATIONS

Section 12.1 Assignments. (a) Seller, the Servicer, the Agent and each Purchaser hereby agree and consent to the complete or partial assignment by any Company of all or any portion of its rights under, interest in, title to and obligations under this Agreement to any Funding Source pursuant to any Funding Agreement or to any other Person, and upon such assignment, such Company shall be released from its obligations so assigned. Further, Seller, the Servicer, the Agent and each Purchaser hereby agree that any assignee of any Company of this Agreement or of all or any of the Purchaser Interests of any Company shall have all of the rights and benefits under this Agreement as if the term "Company" explicitly referred to and included such party (provided that (i) the Purchaser Interests of any such assignee that is a Company or a commercial paper conduit shall accrue CP Costs based on such Company's Company Costs or on such commercial paper conduit's cost of funds, respectively, and (ii) the Purchaser Interests of any other such assignee shall accrue Yield pursuant to Section 4.1), and no such assignment shall in any way impair the rights and benefits of any Company hereunder. Neither Seller nor the Servicer shall have the right to assign its rights or obligations under this Agreement.

(b) Any Financial Institution may at any time and from time to time assign to one or more Persons ("Purchasing Financial Institutions") all or any part of its rights and obligations under this Agreement

pursuant to an assignment agreement, substantially in the form set forth in Exhibit VII hereto (the “Assignment Agreement”) executed by such Purchasing Financial Institution and such selling Financial Institution. The consent of the Company in such selling Financial Institution’s Purchaser Group shall be required prior to the effectiveness of any such assignment. Each assignee of a Financial Institution must (i) have a short-term debt rating of A-1 or better by S&P and P-1 by Moody’s (except in the case of BOFA) and (ii) agree to deliver to the Agent, promptly following any request therefor by the Agent or the Company in such selling Financial Institution’s Purchaser Group, an enforceability opinion in form and substance satisfactory to the Agent and such Company. Upon delivery of the executed Assignment Agreement to the Agent, such selling Financial Institution shall be released from its obligations hereunder to the extent of such assignment. Thereafter the Purchasing Financial Institution shall for all purposes be a Financial Institution party to this Agreement and shall have all the rights and obligations of a Financial Institution (including, without limitation, the applicable obligations of a Related Financial Institution) under this Agreement to the same extent as if it were an original party hereto and no further consent or action by Seller, the Purchasers or the Agent shall be required.

(c) Each of the Financial Institutions other than BOFA agrees that in the event that it shall cease to have a short-term debt rating of A-1 or better by S&P and P-1 by Moody’s (an “Affected Financial Institution”), such Affected Financial Institution shall be obliged, at the request of the Company in such Affected Financial Institution’s Purchaser Group or the Agent, to assign all of its rights and obligations hereunder to (x) another Financial Institution in such Affected Financial Institution’s Purchaser Group or (y) another funding entity nominated by the Agent or any Financial Institution and acceptable to the Company in such Affected Financial Institution’s Purchaser Group, and willing to participate in this Agreement through the Liquidity Termination Date in the place of such Affected Financial Institution; provided that the Affected Financial Institution receives payment in full, pursuant to an Assignment Agreement, of an amount equal to such Financial Institution’s Pro Rata Share of the Aggregate Capital and Yield owing to the Financial Institutions in such Affected Financial Institution’s Purchaser Group and all accrued but unpaid fees and other costs and expenses payable in respect of its Pro Rata Share of the Purchaser Interests of the Financial Institutions in such Affected Financial Institution’s Purchaser Group.

Section 12.2 Participations. Any Financial Institution may, in the ordinary course of its business at any time sell to one or more Persons (each a “Participant”) participating interests in its Pro Rata Share of the Purchaser Interests of the Financial Institutions in such Financial Institution’s Purchaser Group or any other interest of such Financial Institution hereunder. Notwithstanding any such sale by a Financial Institution of a participating interest to a Participant, such Financial Institution’s rights and obligations under this Agreement shall remain unchanged, such Financial Institution shall remain solely responsible for the performance of its obligations hereunder, and Seller, each Company and the Agent shall continue to deal solely and directly with such Financial Institution in connection with such Financial Institution’s rights and obligations under this Agreement. Each Financial Institution agrees that any agreement between such Financial Institution and any such Participant in respect of such participating interest shall not restrict such Financial Institution’s right to agree to any amendment, supplement, waiver or modification to this Agreement, except for any amendment, supplement, waiver or modification described in Section 13.1(b)(i).

Section 12.3 Security Interests. Notwithstanding any other provision of this Agreement to the contrary, (i) any Purchaser may at any time pledge or grant a security interest in all or any portion of its rights (including, without limitation, any Purchaser Interest and any rights to payment of Capital and Company Costs) under this Agreement to secure obligations of such Purchaser to a Federal Reserve Bank and (ii) any Company may at any time pledge or grant a security interest in all or any portion of its rights (including, without limitation, any Purchaser Interest and any rights to payment of Capital and Company Costs) under this Agreement to a collateral trustee in order to comply with Rule 3a-7 under the Investment Company Act, in each case without notice to or consent of any Seller Party, the Agent or any other Purchaser; provided that no such pledge or grant of a security interest shall release a Purchaser from any of its obligations hereunder, or substitute any such pledgee or grantee for such Purchaser as a party hereto.

ARTICLE XIII
MISCELLANEOUS

Section 13.1 Waivers and Amendments. (a) No failure or delay on the part of the Agent or any Purchaser in exercising any power, right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other further exercise thereof or the exercise of any other power, right or remedy. The rights and remedies herein provided shall be cumulative and nonexclusive of any rights or remedies provided by law. Any waiver of this Agreement shall be effective only in the specific instance and for the specific purpose for which given.

(b) No provision of this Agreement may be amended, supplemented, modified or waived except in writing in accordance with the provisions of this Section 13.1(b). Each Company, Seller and the Agent, at the direction of the Required Purchasers, may enter into written modifications or waivers of any provisions of this Agreement, provided, however, that no such modification or waiver shall:

(i) without the consent of each affected Purchaser, (A) extend the Liquidity Termination Date or the date of any payment or deposit of Collections by Seller or the Servicer, (B) reduce the rate or extend the time of payment of Yield or any CP Costs (or any component of Yield or CP Costs), (C) reduce any fee payable to the Agent for the benefit of the Purchasers, (D) except pursuant to Article XII hereof, change the amount of the Capital of any Purchaser, any Financial Institution's Pro Rata Share, any Company's Pro Rata Share, any Financial Institution's Commitment or any Company's Company Purchase Limit (other than, to the extent applicable, pursuant to Section 4.6 or the terms of any Funding Agreement), (E) amend, modify or waive any provision of the definition of Required Purchasers or this Section 13.1(b) or Section 2.6, Section 4.6 or Section 13.6, (F) release all or substantially all of the property with respect to which a security or ownership interest therein has been granted hereunder to the Agent, the Purchasers or the Financial Institutions, (G) consent to or permit the assignment or transfer by Seller of any of its rights and obligations under this Agreement, or (H) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (A) through (G) above in a manner that would circumvent the intention of the restrictions set forth in such clauses;

(ii) without the written consent of the then Agent, amend, modify or waive any provision of this Agreement if the effect thereof is to affect the rights or duties of such Agent; or

(iii) without the written consent of the Agent and each Purchaser (A) amend, modify or waive any Potential Amortization Event or Amortization Event; (B) change the definition of "Aggregate Reserves," "Concentration Limits," "Default Ratio," "Delinquency Ratio Trigger," "Dilution Horizon Factor," "Dilution Reserve," "Dilution Ratio," "Dilution Percentage," "Dilution Ratio Trigger," "Eligible Receivable," "Loss Horizon Factor," "Loss Reserve," "Loss Percentage," "Loss Ratio Trigger," "Servicing and Yield Reserve," "Stress Factor" and "Weekly Reporting Condition"; (C) amend, modify or waive any provision in Article IX; or (D) amend or modify any defined term (or any defined term used directly or indirectly in such defined term) used in clauses (A) through (C) above in a manner that would circumvent the intention of the restrictions set forth in such clauses.

Notwithstanding the foregoing, (i) without the consent of the Financial Institutions, but with the consent of Seller, the Agent may amend this Agreement solely to add additional Persons as Financial Institutions hereunder and (ii) the Agent, the Required Purchasers and each Company may enter into amendments to modify any of the terms or provisions of Article XI, Section 13.13 or any other provision of this Agreement without the consent of Seller, provided that such amendment has no negative impact upon Seller. Any modification or waiver made in accordance with this Section 13.1 shall apply to each of the Purchasers equally and shall be binding upon Seller, the Purchasers and the Agent.

Section 13.2 Notices. Except as provided in this Section 13.2, all communications and notices provided for hereunder shall be in writing (including bank wire, telecopy or electronic facsimile transmission or similar writing) and shall be given to the other parties hereto at their respective addresses or telecopy numbers set forth on the signature pages hereof or at such other address or telecopy number as such Person may hereafter specify for the purpose of notice to each of the other parties hereto. Each such notice or other communication shall be effective (i) if given by telecopy, upon the receipt thereof, (ii) if given by mail, three (3) Business Days after the time such communication is deposited in the mail with first class postage prepaid or (iii) if given by any other means, when received at the address specified in this Section 13.2. Seller hereby authorizes the Agent and the Purchasers to effect purchases and selections of Tranche Periods and Discount Rates based on telephonic notices made by any Person whom the Agent or applicable Purchaser in good faith believes to be acting on behalf of Seller. Seller agrees to deliver promptly to the Agent and each applicable Purchaser a written confirmation of each telephonic notice signed by an authorized officer of Seller; provided, however, the absence of such confirmation shall not affect the validity of such notice. If the written confirmation differs from the action taken by the Agent or applicable Purchaser, the records of the Agent or applicable Purchaser shall govern absent manifest error.

Section 13.3 Ratable Payments. If any Purchaser, whether by setoff or otherwise, has payment made to it with respect to any portion of the Aggregate Unpaid owing to such Purchaser (other than payments received pursuant to Section 10.2 or 10.3) in a greater proportion than that received by any other Purchaser entitled to receive a ratable share of such Aggregate Unpaid, such Purchaser agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of such Aggregate Unpaid held by the other Purchasers so that after such purchase each Purchaser will hold its ratable proportion of such Aggregate Unpaid; provided that if all or any portion of such excess amount is thereafter recovered from such Purchaser, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

Section 13.4 Protection of Ownership Interests of the Purchasers. (a) Seller agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents, and take all actions, that may be necessary or desirable, or that the Agent may request, to perfect, protect or more fully evidence the Purchaser Interests, or to enable the Agent or the Purchasers to exercise and enforce their rights and remedies hereunder. Without limiting the foregoing, Seller will, upon the request of the Agent, file such financing or continuation statements, or amendments thereto or assignments thereof, and execute and file such other instruments and documents, that may be necessary or desirable, or that the Agent may reasonably request, to perfect, protect or evidence such Purchaser Interest. At any time after an Amortization Event or Potential Amortization Event shall have occurred and be continuing, the Agent may, or the Agent may direct Seller or the Servicer to, notify the Obligor of Receivables, at Seller's expense, of the ownership or security interests of the Purchasers under this Agreement and may also direct that payments of all amounts due or that become due under any or all Receivables be made directly to the Agent or its designee. Seller or the Servicer (as applicable) shall, at any Purchaser's request, withhold the identity of such Purchaser in any such notification.

(b) If any Seller Party fails to perform any of its obligations hereunder, the Agent or any Purchaser may (but shall not be required to) perform, or cause performance of, such obligations, and the Agent's or such Purchaser's costs and expenses incurred in connection therewith shall be payable by Seller as provided in Section 10.3. Each Seller Party irrevocably authorizes the Agent at any time and from time to time after the occurrence of any Amortization Event in the sole discretion of the Agent, and appoints the Agent as its attorney-in-fact, to act on behalf of such Seller Party (i) to authorize on behalf of such Seller Party as debtor and to file financing or continuation statements (and amendments thereto and assignments thereof) necessary or desirable in the Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Purchasers in the Receivables and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Receivables as a financing statement in such offices as the Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Purchasers in the Receivables. This appointment is coupled with an interest and is irrevocable. The authorization by each Seller Party set forth in the second sentence of this Section 13.4(b) is intended to meet all requirements for authorization by a debtor under Article 9 of any applicable enactment of the UCC, including, without limitation, Section 9-509 thereof.

Section 13.5 Confidentiality. (a) Each Seller Party and each Purchaser shall maintain and shall cause each of its employees and officers to maintain the confidentiality of this Agreement, except as required by law, and the other confidential or proprietary information with respect to the Agent and each Purchaser and their respective

businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that such Seller Party and such Purchaser and its officers and employees may disclose such information to such Seller Party's and such Purchaser's external accountants and attorneys and as required by any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law), including disclosure in the financial statements of each of the Seller Parties of the existence and financial effects of the transactions contemplated by this Agreement. Anything herein to the contrary notwithstanding, each Seller Party, each Purchaser, the Agent, each Indemnified Party and any successor or assign of any of the foregoing (and each employee, representative or other agent of any of the foregoing) may disclose to any and all Persons, without limitation of any kind, the "tax treatment" and "tax structure" (in each case, within the meaning of U.S. Treasury Regulation § 1.6011-4) of the transactions contemplated herein and all materials of any kind (including opinions or other tax analyses) that are or have been provided to any of the foregoing relating to such tax treatment or tax structure, and it is hereby confirmed that each of the foregoing have been so authorized since the commencement of discussions regarding the transactions.

(b) Anything herein to the contrary notwithstanding, each Seller Party hereby consents to the disclosure of any nonpublic information with respect to it (i) to the Agent, the Financial Institutions or the Companies by each other, (ii) by the Agent or the Purchasers to any prospective or actual assignee or participant of any of them, (iii) by the Agent or any Purchaser to any rating agency, Funding Source, Commercial Paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to any Company or any entity organized for the purpose of purchasing, or making loans secured by, financial assets for which the Agent or any Financial Institution acts as the administrative agent and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, (iv) by each Purchaser (or any administrative agent on its behalf), to a nationally recognized statistical rating organization in compliance with Rule 17g-5 under the Securities Exchange Act of 1934 (or to any other rating agency in compliance with any similar rule or regulation in any relevant jurisdiction) or in accordance with any good faith interpretation thereof, and (v) by any Company (or any administrative agent on its behalf) to any collateral trustee appointed by such Company to comply with Rule 3a-7 under the Investment Company Act, provided such collateral trustee is subject to a confidentiality agreement regarding such information with restrictions on disclosure that are comparable to those contained in this Agreement. The Agent or the Purchaser, as applicable, will make reasonable efforts to enter into a confidentiality agreement, reasonably acceptable to the Servicer, with each rating agency hired by such Person and to which it is disclosing information pursuant to clause (iii) or (iv) above; provided, that the absence of such a confidentiality agreement shall not be construed to prohibit the Agent or any Purchaser from making disclosures to any rating agency as may be required by applicable law, rule or regulation (including, for this purpose, any requirements of Rule 17g-5 or any good faith interpretation thereof). In addition, the Purchasers and the Agent may disclose any such nonpublic information pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law) or otherwise with the consent of the applicable Seller Party or Seller Parties. Except as provided in this clause (b) above, the Agent, JPM Chase, as a Purchaser, and the other Purchasers shall maintain and shall cause each of its employees and officers to maintain the confidentiality of any confidential or proprietary information with respect to the Seller Parties obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein.

Section 13.6 Bankruptcy Petition. Seller, the Servicer, the Agent and each Purchaser hereby covenants and agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of any Company or any Funding Source that is a special purpose bankruptcy remote entity, it will not institute against, or join any other Person in instituting against, any Company or any such entity any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

Section 13.7 Limitation of Liability. (a) Except with respect to any claim arising out of the willful misconduct or gross negligence of any Company, the Agent or any Financial Institution, no claim may be made by any Seller Party or any other Person against any Company, the Agent or any Financial Institution or their respective Affiliates, directors, officers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and each Seller Party hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(b) Notwithstanding any provisions contained in this Agreement to the contrary, no Company that funds its purchase of Purchaser Interests through the issuance of Commercial Paper shall, nor shall be obligated to, pay any amount pursuant to this Agreement unless (i) such Company has received funds which may be used to make such payment and which funds are not required to repay its Commercial Paper when due and (ii) after giving effect to such payment, either (x) such Company could issue Commercial Paper to refinance all of its outstanding Commercial Paper (assuming such outstanding Commercial Paper matured at such time) in accordance with the program documents governing such Company's securitization program or (y) all of such Company's Commercial Paper is paid in full. Any amount which such Company does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in §101 of the Federal Bankruptcy Code) against or corporate obligation of such Company for any such insufficiency unless and until such Company satisfies the provisions of clauses (i) and (ii) above. This paragraph (b) shall survive the termination of this Agreement.

Section 13.8 CHOICE OF LAW. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

Section 13.9 CONSENT TO JURISDICTION. EACH SELLER PARTY HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK COUNTY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY DOCUMENT EXECUTED BY SUCH PERSON PURSUANT TO THIS AGREEMENT AND EACH SELLER PARTY HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE AGENT OR ANY PURCHASER TO BRING PROCEEDINGS AGAINST ANY SELLER PARTY IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY ANY SELLER PARTY AGAINST THE AGENT OR ANY PURCHASER OR ANY AFFILIATE OF THE AGENT OR ANY PURCHASER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR ANY DOCUMENT EXECUTED BY SUCH SELLER PARTY PURSUANT TO THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK COUNTY, NEW YORK.

Section 13.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT, ANY DOCUMENT EXECUTED BY ANY SELLER PARTY PURSUANT TO THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER.

Section 13.11 Integration; Binding Effect; Survival of Terms.

(a) This Agreement and each other Transaction Document contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns (including any trustee in bankruptcy). This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms and shall remain in full force and effect until terminated in accordance with its terms; provided, however, that the rights and remedies with respect to (i) any breach of any representation and warranty made by any Seller Party pursuant to Article V, (ii) the indemnification, increased cost and payment provisions of Article X, and Sections 13.5, 13.6 and 13.7 shall be continuing and shall survive any termination of this Agreement.

Section 13.12 Counterparts; Severability; Section References. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. Any provisions of this Agreement which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Unless otherwise expressly indicated, all references herein to “Article,” “Section,” “Schedule” or “Exhibit” shall mean articles and sections of, and schedules and exhibits to, this Agreement.

Section 13.13 JPM Chase Roles. Each of the Purchasers acknowledges that JPM Chase acts, or may in the future act, (i) as administrative agent for the Bank One Company or any Financial Institution in the Bank One Company’s Purchaser Group, (ii) as issuing and paying agent for certain Commercial Paper, (iii) to provide credit or liquidity enhancement for the timely payment for certain Commercial Paper and (iv) to provide other services from time to time for the Bank One Company or any Financial Institution in the Bank One Company’s Purchaser Group (collectively, the “JPM Chase Roles”). Without limiting the generality of this Section 13.13, each Purchaser hereby acknowledges and consents to any and all JPM Chase Roles and agrees that in connection with any JPM Chase Role, JPM Chase may take, or refrain from taking, any action that it, in its discretion, deems appropriate, including, without limitation, in its role as administrative agent for the Bank One Company.

Section 13.14 Characterization. (a) It is the intention of the parties hereto that each purchase hereunder shall constitute and be treated as an absolute and irrevocable sale, which purchase shall provide the applicable Purchaser with the full benefits of ownership of the applicable Purchaser Interest. Except as specifically provided in this Agreement, each sale of a Purchaser Interest hereunder is made without recourse to Seller; provided, however, that (i) Seller shall be liable to each Purchaser and the Agent for all representations, warranties, covenants and indemnities made by Seller pursuant to the terms of this Agreement, and (ii) such sale does not constitute and is not intended to result in an assumption by any Purchaser or the Agent or any assignee thereof of any obligation of Seller or any Originating Entity or any other Person arising in connection with the Receivables, the Related Security, or the related Contracts, or any other obligations of Seller or any Originating Entity.

(b) In addition to any ownership interest which the Agent may from time to time acquire pursuant hereto, Seller hereby grants to the Agent for the ratable benefit of the Purchasers a valid and perfected security interest in all of Seller’s right, title and interest in, to and under all Receivables now existing or hereafter arising, the Collections, each Lock-Box, each Collection Account, all Related Security, all other rights and payments relating to such Receivables, and all proceeds of any thereof prior to all other liens on and security interests therein to secure the prompt and complete payment of the Aggregate Unpaid. The Agent and the Purchasers shall have, in addition to the rights and remedies that they may have under this Agreement, all other rights and remedies provided to a secured creditor under the UCC (or any comparable law) and other applicable law, which rights and remedies shall be cumulative.

(c) If, notwithstanding the intention of the parties expressed above, any sale or transfer by Seller hereunder shall be characterized as a secured loan and not a sale or such sale shall for any reason be ineffective or unenforceable (any of the foregoing being a “Recharacterization”), then this Agreement shall be deemed to constitute a security agreement under the UCC and other applicable law. In the case of any Recharacterization, the Seller represents and warrants that each remittance of Collections to the Agent or the Purchasers hereunder will have been (i) in payment of a debt incurred in the ordinary course of business or financial affairs and (ii) made in the ordinary course of business or financial affairs.

Section 13.15 Assignments of Company Interests Under Existing Agreement.

(a) Assignment from the Bank One Company to the CA Company. In consideration of the payment by the CA Company to the Bank One Company, in immediately available funds, of an amount equal to \$21,666,666.67, representing 25.00% of the Capital of the Bank One Company’s Purchaser Interests outstanding under the Existing Agreement (such percentage amount, the “Bank One-CA Transferred Capital”), the Bank One Company hereby sells, transfers and assigns to the CA Company, without recourse, representation or warranty, and the CA Company hereby irrevocably takes, receives and assumes from the Bank One Company, the Bank One-CA

Transferred Capital and all related rights and obligations hereunder, under the Existing Agreement and under the other Transaction Documents.

(b) Assignment from the RBS Company to the CA Company. In consideration of the payment by the CA Company to the RBS Company, in immediately available funds, of an amount equal to \$10,833,333.33, representing 18.75% of the Capital of the RBS Company's Purchaser Interests outstanding under the Existing Agreement (such percentage amount, the "RBS-CA Transferred Capital"), the RBS Company hereby sells, transfers and assigns to the CA Company, without recourse, representation or warranty, and the CA Company hereby irrevocably takes, receives and assumes from the RBS Company, the RBS-CA Transferred Capital and all related rights and obligations hereunder, under the Existing Agreement and under the other Transaction Documents.

(c) Assignment from the RBS Company to the BTMU Company. In consideration of the payment by the BTMU Company to the RBS Company, in immediately available funds, of an amount equal to \$3,611,111.11, representing 6.25% of the Capital of the RBS Company's Purchaser Interests outstanding under the Existing Agreement (such percentage amount, the "RBS-BTMU Transferred Capital"), the RBS Company hereby sells, transfers and assigns to the BTMU Company, without recourse, representation or warranty, and the BTMU Company hereby irrevocably takes, receives and assumes from the RBS Company, the RBS-BTMU Transferred Capital and all related rights and obligations hereunder, under the Existing Agreement and under the other Transaction Documents.

(d) Assignment from the Scotia Company to the BTMU Company. In consideration of the payment by the BTMU Company to the Scotia Company, in immediately available funds, of an amount equal to \$14,444,444.44, representing 25.00% of the Capital of the Scotia Company's Purchaser Interests outstanding under the Existing Agreement (such percentage amount, the "Scotia-BTMU Transferred Capital"), the Scotia Company hereby sells, transfers and assigns to the BTMU Company, without recourse, representation or warranty, and the BTMU Company hereby irrevocably takes, receives and assumes from the Scotia Company, the Scotia-BTMU Transferred Capital and all related rights and obligations hereunder, under the Existing Agreement and under the other Transaction Documents.

(e) Assignment from the BNP Company to the BTMU Company. In consideration of the payment by the BTMU Company to the BNP Company, in immediately available funds, of an amount equal to \$14,444,444.44, representing 25.00% of the Capital of the BNP Company's Purchaser Interests outstanding under the Existing Agreement (such percentage amount, the "BNP-BTMU Transferred Capital"), the BNP Company hereby sells, transfers and assigns to the BTMU Company, without recourse, representation or warranty, and the BTMU Company hereby irrevocably takes, receives and assumes from the BNP Company, the BNP-BTMU Transferred Capital and all related rights and obligations hereunder, under the Existing Agreement and under the other Transaction Documents.

The parties acknowledge and agree that immediately after giving effect to the assignments set forth above, the respective Capital of the Purchaser Interests of the Companies shall be as follows:

The Bank One Company	\$65,000,000.00
The Scotia Company	\$43,333,333.33
The RBS Company	\$43,333,333.33
The BNP Company	\$43,333,333.33
The CA Company	\$32,500,000.00
The BTMU Company	\$32,500,000.00

Section 13.16 Confirmation and Ratification of Terms. (a) Upon the effectiveness of this Agreement: (i) each reference to the Original Agreement in any other Transaction Document, and any document, instrument or agreement executed and/or delivered in connection with the Original Agreement or any other Transaction Document, shall mean and be a reference to this Agreement; and (ii) each reference to the Existing

Agreement in any other Transaction Document, and any document, instrument or agreement executed and/or delivered in connection with the Existing Agreement or any other Transaction Document, shall mean and be a reference to this Agreement.

(b) The other Transaction Documents and all agreements, instruments and documents executed or delivered in connection with the Original Agreement, the Existing Agreement or any other Transaction Document shall each be deemed to be amended to the extent necessary, if any, to give effect to the provisions of this Agreement, as the same may be amended, modified, supplemented or restated from time to time.

(c) The effect of this Agreement is to amend and restate the Existing Agreement in its entirety, and to the extent that any rights, benefits or provisions in favor of the Agent or any Purchaser existed in the Original Agreement or the Existing Agreement and continue to exist in this Agreement without any written waiver of any such rights, benefits or provisions prior to August 26, 2010, then such rights, benefits or provisions are acknowledged to be and to continue to be effective from and after June 28, 2001. This Agreement is not a novation.

(d) The parties hereto agree and acknowledge that any and all rights, remedies and payment provisions under the Original Agreement or the Existing Agreement, including, without limitation, any and all rights, remedies and payment provisions with respect to (i) any representation and warranty made or deemed to be made pursuant to the Original Agreement or the Existing Agreement, or (ii) any indemnification provision, shall continue and survive the execution and delivery of this Agreement.

(e) The parties hereto agree and acknowledge that any and all amounts owing as or for Capital, Yield, CP Costs, fees, expenses or otherwise under or pursuant to the Original Agreement or the Existing Agreement, immediately prior to the effectiveness of this Agreement shall be owing as or for Capital, Yield, CP Costs, fees, expenses or otherwise, respectively, under or pursuant to this Agreement.

Section 13.17 PATRIOT Act. Each Purchaser that is subject to the requirements of the USA Patriot Act (Title 111 of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") hereby notifies the Seller Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Seller Parties, which information includes, among other things, the name and address of the Seller Parties and other information that will allow such Purchasers to identify such parties in accordance with the Patriot Act.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

AVNET RECEIVABLES CORPORATION,
as Seller

By: _____
Name:
Title:

Address: 2211 South 47th Street
Phoenix, Arizona 85034
Attention: President

Fax: (480) 643-7199

AVNET, INC., as Servicer

By: _____
Name:
Title:

Address: 2211 South 47th Street
Phoenix, Arizona 85034
Attention: President

Fax: (480) 643-7199

By:

Authorized Signatory

Address: c/o JPMorgan Chase Bank, N.A.),
as agent
Asset Backed Finance
10 S Dearborn St, 16th Floor
Chicago, Illinois 60603

Fax: (312) 732-1844

JPMORGAN CHASE BANK, N.A.,
as a Financial Institution and as Agent

By:

Name:

Title:

Address: JPMorgan Chase Bank, N.A.
Asset Backed Finance
10 S Dearborn St, 16th Floor
Chicago, Illinois 60603

Fax: (312) 732-4487

LIBERTY STREET FUNDING LLC, as a
Company

By: _____
Name:
Title:

Address: c/o Global Securitization Services, LLC
114 West 47th Street, Suite 1715
New York, NY 10036
Attn: Andrew L Stidd

Fax: (212) 302-8767

THE BANK OF NOVA SCOTIA, as a
Financial Institution

By: _____
Name:
Title:

Address: The Bank of Nova Scotia
250 Vesey Street
23rd Floor
New York, NY 1028
Attn: Peter Gartland

Fax: (212) 225-5274

BANK OF AMERICA, NATIONAL
ASSOCIATION, as a Company

By: _____
Name:
Title:

Address: Bank of America, N.A.
214 North Tryon Street
NC1-027-15-01
Charlotte, NC 28255
Attention: Robert Wood

Tel: (980) 388-5938
Fax: (704) 409-0592

BANK OF AMERICA, NATIONAL ASSOCIATION,
as a Financial Institution

By: _____
Name:
Title:

Address: Bank of America, N.A.
214 North Tryon Street
NC1-027-15-01
Charlotte, NC 28255
Attention: Robert Wood

Tel: (980) 388-5938
Fax: (704) 409-0592

MANHATTAN ASSET FUNDING COMPANY LLC,
as a Company

By: MAF RECEIVABLES CORP., its member
Name:
Title:

Address: c/o SMBC Nikko Securities America, Inc.
277 Park Avenue
New York, New York 10172
Attention: Structured Finance Group

Fax: (212) 224-4929

SMBC NIKKO SECURITIES AMERICA, INC.,
as agent for the SMBC Company

By: _____
Name:
Title:

SUMITOMO MITSUI BANKING CORPORATION
as a Financial Institution

By: _____
Name:
Title:

Address: Sumitomo Mitsui Banking Corporation
277 Park Avenue
New York, New York 10172
Attention: Structured Finance Group

Fax: (212) 224-4929

By: _____
Name:
Title:

Address: c/o Global Securitization Services, LLC
68 South Service Road, Suite 120
Melville, NY 11747
Attention: David V. DeAngelis

Tel: (631) 930-7126
Fax: (212) 302-8767
E-mail: ddeangelis@gssnyc.com

With a copy to:

THE BANK OF TOKYO
MITSUBISHI UFJ, LTD., NEW
YORK BRANCH

Address: 1221 Avenue of the Americas
New York, New York 10020
Attention: Securitization Group
Telephone No.: (212) 782-6957
Telecopier No.: (212) 782-6448
Email: securitization_reporting@us.mufg.jp
nmonier@us.mufg.jp

THE BANK OF TOKYO MITSUBISHI UFJ, LTD
NEW YORK BRANCH, as a Financial Institution

By: _____
Name:
Title:

Address: The Bank of Toyko-Mitsubishi UFJ, Ltd.,
New York Branch
Attn: Securitization Group
1221 Avenue of the Americas
New York, NY 10020

Fax: (212) 782-6448

MARKET STREET FUNDING LLC, as a
Company

By: _____
Name:
Title:

Address: Market Street Funding LLC
c/o AMACAR Group, L.L.C.
6525 Morrison Blvd. Suite 318
Charlotte, North Carolina 28211
Attention: Doris J. Hearn

Tel: (704) 365-0569
Fax: (704) 365-1362
Email: djhearn@amacar.com

PNC BANK NATIONAL ASSOCIATION
as a Financial Institution

By: _____
Name:
Title:

Address: PNC Bank, National Association
Three PNC Plaza
225 Fifth Avenue
Pittsburgh, Pennsylvania 15222
Attention: William P. Falcon

Tel: (412) 762-5442
Fax: (412) 762-9184
Email: william.falcon@pnc.com

EXHIBIT I

DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Accrual Period” means each calendar month, provided that the initial Accrual Period hereunder with respect to each Company means the period from (and including) the date of the initial purchase by such Company hereunder to (and including) the last day of the calendar month thereafter.

“Adverse Claim” means a lien, security interest, charge or encumbrance, or other right or claim in, of or on any Person’s assets or properties in favor of any other Person.

“Affected Financial Institution” has the meaning specified in Section 12.1(c).

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person or any Subsidiary of such Person. A Person shall be deemed to control another Person if the controlling Person owns 20% or more of any class of voting securities of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

“Agent” has the meaning set forth in the preamble to this Agreement.

“Aggregate Capital” means, on any date of determination, the aggregate amount of Capital of all Purchaser Interests outstanding on such date.

“Aggregate Reduction” has the meaning specified in Section 1.3.

“Aggregate Reserves” means, on any date of determination, the sum of the Loss Reserve, the Dilution Reserve and the Servicing and Yield Reserve.

“Aggregate Unpays” means, at any time, an amount equal to the sum of all Aggregate Capital and all other unpaid Obligations (whether due or accrued) at such time.

“Agreement” means this Second Amended and Restated Receivables Purchase Agreement, as it may be amended or modified and in effect from time to time.

“Alternative Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the LIBO Rate for a one month Tranche Period on such day (or if such day is not a Business Day, the immediately preceding Business Day), provided that, for the avoidance of doubt, the LIBO Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page1 (or on any successor or substitute page) at approximately 11:00 a.m. London time on such day (without any rounding). Any change in the Alternative Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the LIBO Rate, respectively.

“Amortization Date” means the earliest to occur of (i) the Business Day immediately prior to the occurrence of an Amortization Event set forth in Section 9.1(d)(ii), (ii) the Business Day specified in a written notice from the Agent following the occurrence of any other Amortization Event, (iii) the date which is thirty (30) Business Days after the Agent’s receipt of written notice from Seller that it wishes to terminate the facility evidenced by this Agreement, (iv) the Facility Termination Date and (v) the Business Day specified in a written notice from the Agent following the

failure to obtain the Required Rating within 60 days following delivery of a Ratings Request to the Seller and the Servicer.

“Amortization Event” has the meaning specified in Article IX.

“Anti-Corruption Laws” shall mean all laws, rules, and regulations of any jurisdiction applicable to the Seller Parties or their respective Subsidiaries from time to time concerning or relating to bribery or corruption.

“Applicable Margin” means 2.50%.

“Assignment Agreement” has the meaning set forth in Section 12.1(b).

“Authorized Officer” means, with respect to any Person, its president, corporate controller, treasurer or chief financial officer.

“Avnet” has the meaning set forth in the Preliminary Statements to this Agreement.

“Bank One Company” means Chariot Funding LLC, as successor to Preferred Receivables Funding Corporation, and its successors.

“Bank One-CA Transferred Capital” has the meaning set forth in Section 13.15(a).

“BNP” has the meaning set forth in the Preliminary Statements to this Agreement.

“BNP Company” has the meaning set forth in the Preliminary Statements to this Agreement.

“BNP-BTMU Transferred Capital” has the meaning set forth in Section 13.15(e).

“BOFA” has the meaning set forth in the Preliminary Statements to this Agreement.

“BOFA Company” has the meaning set forth in the Preliminary Statements to this Agreement.

“Broken Funding Costs” means for any Purchaser Interest which: (i) has its Capital reduced without compliance by Seller with the notice requirements hereunder or (ii) does not become subject to an Aggregate Reduction following the delivery of any Reduction Notice or (iii) is assigned, transferred or funded pursuant to a Funding Agreement or otherwise transferred or terminated prior to the date on which it was originally scheduled to end; an amount equal to the excess, if any, of (A) the CP Costs or Yield (as applicable) that would have accrued during the remainder of the Tranche Periods or the tranche periods for Commercial Paper determined by the applicable Purchaser to relate to such Purchaser Interest (as applicable) subsequent to the date of such reduction, assignment or termination (or in respect of clause (ii) above, the date such Aggregate Reduction was designated to occur pursuant to the Reduction Notice) of the Capital of such Purchaser Interest if such reduction, assignment or termination had not occurred or such Reduction Notice had not been delivered, over (B) the sum of (x) to the extent all or a portion of such Capital is allocated to another Purchaser Interest, the amount of CP Costs or Yield actually accrued during the remainder of such period on such Capital for the new Purchaser Interest, and (y) to the extent such Capital is not allocated to another Purchaser Interest, the income, if any, actually received net of any costs of redeployment of funds during the remainder of such period by the holder of such Purchaser Interest from investing the portion of such Capital not so allocated. In the event that the amount referred to in clause (B) exceeds the amount referred to in clause (A), the relevant Purchaser or Purchasers agree to pay to Seller the amount of such excess. All Broken Funding Costs shall be due and payable hereunder upon demand.

“BTMU” has the meaning set forth in the Preliminary Statements to this Agreement.

“BTMU Company” has the meaning set forth in the Preliminary Statements to this Agreement.

“Business Day” means any day on which banks are not authorized or required to close in New York, New York or Chicago, Illinois and The Depository Trust Company of New York is open for business, and, if the applicable Business Day relates to any computation or payment to be made with respect to the LIBO Rate, any day on which dealings in dollar deposits are carried on in the London interbank market.

“CA” has the meaning set forth in the Preliminary Statements to this Agreement.

“CA Company” has the meaning set forth in the Preliminary Statements to this Agreement.

“Capital” of any Purchaser Interest means, at any time, (A) the Purchase Price of such Purchaser Interest, minus (B) the sum of the aggregate amount of Collections and other payments received by the Agent or any Purchaser which in each case are applied to reduce such Capital in accordance with the terms and conditions of this Agreement; provided that such Capital shall be restored (in accordance with Section 2.5) in the amount of any Collections or other payments so received and applied if at any time the distribution of such Collections or payments are rescinded, returned or refunded for any reason.

“Change of Control” means (i) the acquisition by any Person, or two or more Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 20% or more of the outstanding shares of voting stock of the Servicer or (ii) Avnet shall cease to own 100% of the outstanding equity interest in Seller or the Subsidiary Originator, free and clear of any Adverse Claim.

“Charged-Off Receivable” means a Receivable: (i) as to which the Obligor thereof has taken any action, or suffered any event to occur, of the type described in Section 9.1(d) (as if references to Seller Party therein refer to such Obligor); (ii) as to which the Obligor thereof, if a natural person, is deceased, (iii) which, consistent with the applicable Credit and Collection Policy, would be written off Seller’s books as uncollectible or (iv) which has been identified by Seller as uncollectible.

“Collection Account” means each concentration account, depository account, lock-box account or similar account in which any Collections are collected or deposited and which is listed on Exhibit IV.

“Collection Account Agreement” means an agreement substantially in the form of Exhibit VI, or otherwise in a form approved by Agent, among Seller, the Subsidiary Originator or Originator, as applicable, the Agent and a Collection Bank.

“Collection Bank” means, at any time, any of the banks holding one or more Collection Accounts.

“Collection Notice” means a notice, in substantially the form of Annex A to Exhibit VI, from the Agent to a Collection Bank or any similar or analogous notice from the Agent to a Collection Bank.

“Collections” means, with respect to any Receivable, all cash collections and other cash proceeds in respect of such Receivable, including, without limitation, all yield, Finance Charges or other related amounts accruing in respect thereof and all cash proceeds of Related Security with respect to such Receivable.

“Commercial Paper” means promissory notes of any Company issued by such Company in the commercial paper market.

“Commitment” means, for each Financial Institution, the commitment of such Financial Institution to purchase Purchaser Interests from Seller to the extent that the Company in its Purchaser Group declines to purchase such Purchaser Interests, in an amount not to exceed (i) in the aggregate, the amount set forth opposite such Financial Institution’s name on Schedule A to this Agreement, as such amount may be modified in accordance with the terms hereof (including, without limitation, any termination of Commitments pursuant to Section 4.6) and (ii) with respect to any individual purchase hereunder, its Pro Rata Share of the Purchase Price therefor.

“Company” has the meaning set forth in the preamble to this Agreement.

“Company Costs” has the meaning set forth in Schedule C to this Agreement in connection with each respective Company.

“Company Purchase Limit” means, for each Company, the purchase limit of such Company with respect to the purchase of Purchaser Interests from Seller, in an amount not to exceed (i) in the aggregate, the amount set forth opposite such Company’s name on Schedule A to this Agreement, as such amount may be modified in accordance with the terms hereof (including Section 4.6(b)) and (ii) with respect to any individual purchase hereunder, its Pro Rata Share of the Purchase Price therefor.

“Concentration Limit” means, at any time, for any Obligor, 2.50% of the aggregate Outstanding Balance of all Eligible Receivables at such time; provided, that in the case of an Obligor and any Affiliate of such Obligor, the Concentration Limit shall be calculated as if such Obligor and such Affiliate are one Obligor.

“Consent Notice” has the meaning set forth in Section 4.6(a).

“Consent Period” has the meaning set forth in Section 4.6(a).

“Consenting Party” has the meaning set forth in Section 10.2(c).

“Contingent Obligation” of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or application for a letter of credit.

“Contract” means, with respect to any Receivable, any and all instruments, agreements, invoices or other writings pursuant to which such Receivable arises or which evidences such Receivable.

“CP Costs” means, for each day, the aggregate discount or yield accrued with respect to the Purchaser Interests of each respective Company as determined in accordance with Schedule C to this Agreement.

“CRD” means, Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 (as amended by Directive 2009/111/EC), as amended from time to time.

“Credit Agreement” means that certain Credit Agreement, dated as of July 9, 2014, among Avnet, Inc., certain other subsidiaries as borrowers, each lender from time to time party thereto and Bank of America, N.A., as administrative agent, swing line lender and L/C issuer, as in effect on July 9, 2014, and (i) with respect to Section 9.1(h) of this Agreement, without giving effect to any amendment, restatement, waiver, release, supplementation, cancellation, termination or other modification thereof: and (ii) with respect to all other Sections of this Agreement, after giving effect to any amendment, restatement, waiver, release, supplementation, cancellation, termination or other modification thereof.

“Credit and Collection Policy” means (i) with respect to the Receivables originated by the Originator, the credit and collection policies and practices relating to Contracts and Receivables summarized in Exhibit VIII hereto, as modified from time to time in accordance with the Receivables Sale Agreement and this Agreement and (ii) with respect to the Receivables originated by the Subsidiary Originator, the credit and collection policies and practices relating to Contracts and Receivables summarized in Exhibit IV to the Subsidiary RSA, as modified from time to time in accordance with the Subsidiary RSA, the Receivables Sale Agreement and this Agreement.

“Current Financial Institutions” means JPM Chase, in its capacity as Financial Institution, Scotia, BNP, RBS, BTMU and CA.

“Deemed Collections” means the aggregate of all amounts Seller shall have been deemed to have received as a Collection of a Receivable. Seller shall be deemed to have received a Collection in full of a Receivable if at any

time (i) the Outstanding Balance of any such Receivable is either (x) reduced as a result of any defective or rejected goods or services, any discount or any adjustment or otherwise by Seller (other than cash Collections on account of the Receivables) or (y) reduced or canceled as a result of a setoff in respect of any claim by any Person (whether such claim arises out of the same or a related transaction or an unrelated transaction) or (ii) any of the representations or warranties in Article V are no longer true with respect to any Receivable.

“Default Fee” means with respect to any amount due and payable by Seller in respect of any Aggregate Unpaid, an amount equal to the greater of (i) \$1,000 and (ii) interest on any such unpaid Aggregate Unpaid at a rate per annum equal to 2.00% above the Alternative Base Rate.

“Default Ratio” means an amount (expressed as a percentage) equal to (i) the sum of (A) the aggregate Outstanding Balance of all Receivables that were unpaid for 91 days or more (but less than 121 days) after the original due date as of the last day of such fiscal month and (B) the aggregate Outstanding Balance of all Receivables that became Charged-Off Receivables during such fiscal month divided by (ii) the aggregate Outstanding Balance of Receivables originated during the fiscal month that is the fourth fiscal month prior to such fiscal month.

“Defaulted Receivable” means a Receivable (i) as to which any payment, or part thereof, remains unpaid for 91 calendar days or more from the original due date for such payment or (ii) that becomes a Charged-Off Receivable prior to 91 calendar days after the original due date.

“Delinquency Ratio Trigger” means, at any time, a percentage equal to (i) the aggregate Outstanding Balance of all Receivables that were Delinquent Receivables at such time divided by (ii) the aggregate Outstanding Balance of all Receivables at such time.

“Delinquent Receivable” means a Receivable as to which any payment, or part thereof, remains unpaid for 61 days or more from the original due date for such payment.

“Designated Obligor” means an Obligor indicated by the Agent to Seller in writing.

“Dilution Horizon Factor” means, at any time, a percentage equal to (i) the aggregate amount of Receivables, less the amount of such Receivables that are rebilled to the Obligor, originated during the three fiscal month period then most recently ended, divided by (ii) the aggregate Outstanding Balance of all Non-Delinquent Receivables at the end of the fiscal month period then most recently ended.

“Dilution Percentage” means as of any date of determination the greater of (i) 10% and (ii) a percentage calculated in accordance with the following formula:

$$DP = [(SF \times ADR) + [(HDR - ADR) \times (HDR/ADR)]] \times DHF$$

where:

DP	=	the Dilution Percentage;
SF	=	the Stress Factor;
ADR	=	the average of the monthly Dilution Ratios occurring during the 12 most recent fiscal months;
HDR	=	the highest average three-month Dilution Ratio occurring during the 12 most recent calendar months; and
DHF	=	the Dilution Horizon Factor at such time.

“Dilution Ratio” means, at any time, a percentage equal to (i) the aggregate amount of Dilutions, less the amount of such Dilutions for which the related Receivables are rebilled to the Obligor, which occurred during the fiscal month period then most recently ended, divided by (ii) the aggregate amount of Receivables, less the amount of such Receivables that are rebilled to the Obligor, originated during the fiscal month period three months prior to the month then most recently ended.

“Dilution Ratio Trigger” means, at any time, a percentage equal to (i) the aggregate amount of Dilutions, less the amount of such Dilutions for which the related Receivables are rebilled to the Obligor, which occurred during the fiscal month period then most recently ended, divided by (ii) the aggregate amount of Receivables, less the amount of such Receivables that are rebilled to the Obligor, originated during the fiscal month period three months prior to the month then most recently ended.

“Dilution Reserve” means, on any date, an amount equal to the Dilution Percentage multiplied by the Net Receivables Balance as of the close of business of the Servicer on such date.

“Dilutions” means, at any time, the aggregate amount of reductions or cancellations described in clause (i) of the definition of “Deemed Collections”.

“Discount Rate” means, the LIBO Rate or the Alternative Base Rate, as applicable, with respect to each Purchaser Interest of the Financial Institutions.

“Electing Party” has the meaning set forth in Section 10.2(c).

“Eligible Receivable” means, at any time, a Receivable:

(i) the Obligor of which (a) if a natural person, is a resident of the United States or, if a corporation or other business organization, is organized under the laws of the United States or any political subdivision thereof and has its chief executive office in the United States; (b) is not an Affiliate of any of the parties hereto; (c) is not a Designated Obligor; and (d) is not a government or a governmental subdivision or agency, provided that a Government Receivable that otherwise would be an Eligible Receivable under this definition but for this clause (i) shall be an Eligible Receivable to the extent that the aggregate Outstanding Balance of all such Government Receivables does not exceed 2% of the aggregate Outstanding Balance of all Eligible Receivables, and, provided, further, that a Foreign Receivable that otherwise would be an Eligible Receivable under this definition but for this clause (i) shall be an Eligible Receivable to the extent that the aggregate Outstanding Balance of all such Foreign Receivables does not exceed 5% of the aggregate Outstanding Balance of all Eligible Receivables,

(ii) the Obligor of which is not the Obligor of any Defaulted Receivable, which in the aggregate constitute more than 25% of all Receivables of such Obligor,

(iii) which is not a Charged-Off Receivable or a Delinquent Receivable,

(iv) which by its terms is due and payable (A) within 45 calendar days of the original billing date therefor and has not had its payment terms extended, (B) within 60 calendar days of the billing date therefor and has not had its payment terms extended or (C) within 90 calendar days of the billing date therefor and has not had its payment terms extended; provided that with respect to subsection (B) hereof the total amount of Eligible Receivables permitted pursuant to subsection (B) shall not exceed, on the date of any Monthly Report or Weekly Report, 40% of the aggregate amount of Eligible Receivables as set forth on such Monthly Report or Weekly Report; and provided, further, that with respect to subsection (C) hereof the total amount of Eligible Receivables pursuant to subsection (C) shall not exceed, on the date of any Monthly Report or Weekly Report, (1) 15% of the aggregate amount of Eligible Receivables as set forth on such Monthly Report or Weekly Report so long as the Purchaser Interest Condition is satisfied and (2) 0% at all other times,

(v) which is an “account” within the meaning of the UCC of all applicable jurisdictions,

(vi) which is denominated and payable only in United States dollars in the United States,

(vii) which arises under a Contract in substantially the form of or containing comparable basic provisions as one of the form contracts set forth on Exhibit IX hereto, or if such form contracts are modified in any material respect, the Seller Parties will use reasonable efforts to give prior written notice of and provide a copy of such modified Contract to the Agent prior to its use, which, together with such Receivable, is in

full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms subject to no offset, counterclaim or other defense,

(viii) which arises under a Contract which does not contain a confidentiality provision that purports to restrict the ability of any Purchaser to exercise its rights under this Agreement, including, without limitation, its right to review the Contract,

(ix) which arises under a Contract that contains an obligation to pay a specified sum of money, contingent only upon the sale of merchandise or the provision of services by an Originating Entity,

(x) which, together with the Contract related thereto, does not contravene any law, rule or regulation applicable thereto (including, without limitation, any law, rule and regulation relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) and with respect to which no part of the Contract related thereto is in violation of any such law, rule or regulation,

(xi) which satisfies all applicable requirements of the applicable Credit and Collection Policy,

(xii) which was generated in the ordinary course of an Originating Entity's business,

(xiii) which arises solely from the sale of goods or the provision of services, to the related Obligor by an Originating Entity, and not by any other Person (in whole or in part),

(xiv) as to which the Agent has not notified Seller that the Agent has determined that such Receivable or class of Receivables is not acceptable as an Eligible Receivable, including, without limitation, because such Receivable arises under a Contract that is not acceptable to the Agent,

(xv) which is not subject to any right of rescission, set-off, counterclaim, any other defense (including defenses arising out of violations of usury laws) of the applicable Obligor against any Originating Entity or any other Adverse Claim, and the Obligor thereon holds no right as against any Originating Entity to cause such Originating Entity to repurchase the goods or merchandise the sale of which shall have given rise to such Receivable (except with respect to sale discounts effected pursuant to the Contract, or defective goods returned in accordance with the terms of the Contract),

(xvi) as to which the applicable Originating Entity has satisfied and fully performed all obligations on its part with respect to such Receivable required to be fulfilled by it, and no further action is required to be performed by any Person with respect thereto other than payment thereon by the applicable Obligor, and

(xvii) all right, title and interest to and in which has been validly transferred by Originator directly to Seller under and in accordance with the Receivables Sale Agreement, and Seller has good and marketable title thereto free and clear of any Adverse Claim.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Excluded Acquisition" means any direct or indirect acquisition of any business by the Originator consummated on or after January 1, 2010.

"Excluded Receivable" means all indebtedness and other obligations owed to any Originating Entity or in which any Originating Entity has a security interest or other interest (including, without limitation, any indebtedness, obligation or interest constituting an account, chattel paper, instrument or general intangible) arising in connection with the sale of merchandise or the rendering of services by any Originating Entity and further includes, without limitation, the obligation to pay any Finance Charges with respect thereto, which, in any case:

(i) the account debtor for which is Sirius Computer Solutions, Inc. and such indebtedness or other obligation was originated after May 22, 2015;

(ii) the account debtor for which is Intelbras S.A. Industria de Telecomunicacao Eletronica Brasileira and such indebtedness or other obligation was originated after December 30, 2016; or

(iii) both (a) arises in connection with the sale of merchandise or the rendering of services by the business previously conducted by any businesses acquired by Originator in an Excluded Acquisition and (b) is not recorded or maintained in Avnet's consolidated general ledger accounting records as part of general ledger category "company code 0100," "company code 1001" or "company code US10" (other than any Receivables previously coded under "company code 0100," "company code 1001" or "company code US10" that have been coded under any other category without the Agent's prior written consent).

Indebtedness and other rights and obligations arising from any one transaction, including, without limitation, indebtedness and other rights and obligations represented by an individual invoice, shall constitute an Excluded Receivable separate from an Excluded Receivable consisting of the indebtedness and other rights and obligations arising from any other transaction; provided, that any indebtedness, rights or obligations referred to in the immediately preceding sentence shall be an Excluded Receivable regardless of whether the account debtor or Seller treats such indebtedness, rights or obligations as a separate payment obligation.

"Existing Agreement" has the meaning set forth in the Preliminary Statements to this Agreement.

"Extension Notice" has the meaning set forth in Section 4.6(a).

"Facility Account" means Seller's Account No. 5546079 at JPM Chase.

"Facility Termination Date" means the earliest of (i) the Liquidity Termination Date and (ii) the Amortization Date.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code of 1986 as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 147(b)(1) of the Code.

"Federal Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy" (11 U.S.C. §§ 101 et seq.) as amended and any successor statute thereto.

"Federal Funds Effective Rate" means, for any period, a fluctuating interest rate per annum for each day during such period equal to (a) the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York in the Composite Closing Quotations for U.S. Government Securities; or (b) if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:30 a.m. (Chicago time) for such day on such transactions received by the Agent from three federal funds brokers of recognized standing selected by it.

"Fee Letter" means each of (i) the amended and restated letter agreement relating to the payment of fees to Agent, dated as of the date hereof, between the Seller and the Agent, as the same may be amended or modified and in effect from time to time, (ii) the amended and restated letter agreement relating to the payment of fees to the Purchasers, dated as of the date hereof, among the Seller and the Purchasers, as the same may be amended or modified and in effect from time to time and (iii) any other fee letter or similar letter agreement relating to the payment of fees to any of the Purchasers entered into among Seller, the Purchasers party thereto and/or any agent or agents acting on behalf of any such Purchasers, as any such fee letter or letter agreement may be amended or modified and in effect from time to time.

"Finance Charges" means, with respect to a Contract, any finance, interest, late payment charges or similar charges owing by an Obligor pursuant to such Contract.

"Financial Institutions" has the meaning set forth in the preamble in this Agreement.

“Foreign Receivable” means a Receivable the Obligor of which, if a natural person, is a resident of any member country in the Organization for Economic Co-operation and Development (other than the United States) (each such member country, a “Specified OECD Country”) or, if a corporation or other business organization, is organized under the laws of a Specified OECD Country or any political subdivision thereof and has its chief executive office in a Specified OECD Country or the United States.

“Funding Agreement” means this Agreement and any agreement or instrument executed by any Funding Source with or for the benefit of a Company.

“Funding Source” means with respect to any Company (i) such Company’s Related Financial Institution(s) or (ii) any insurance company, bank or other funding entity providing liquidity, credit enhancement or back-up purchase support or facilities to such Company.

“GAAP” means generally accepted accounting principles in effect in the United States of America as of the date of this Agreement.

“Government Receivable” means a Receivable the Obligor of which is the United States federal government, a state or local government, a governmental subdivision of the United States federal government or of a state or local government, or an agency of the United States federal government or of a state or local government. For the purposes of this definition the phrase “state or local government” means a state or local government of a state, city or municipality located within the fifty states of the United States or the District of Columbia.

“Incremental Purchase” means a purchase of one or more Purchaser Interests which increases the total outstanding Aggregate Capital hereunder.

“Indebtedness” of a Person means such Person’s (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person’s business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by liens or payable out of the proceeds or production from property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) capitalized lease obligations, (vi) net liabilities under interest rate swap, exchange or cap agreements, (vii) Contingent Obligations and (viii) liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA.

“Independent Director” shall mean a member of the Board of Directors of Seller who (i) shall not have been at the time of such Person’s appointment or at any time during the preceding five years, and shall not be as long as such Person is a director of the Seller, (A) a director, officer, employee, partner, shareholder, member, manager or Affiliate of any of the following Persons (collectively, the “Independent Parties”): Servicer, any Originating Entity, or any of their respective Subsidiaries or Affiliates (other than Seller), (B) a supplier to any of the Independent Parties, (C) a Person controlling or under common control with any partner, shareholder, member, manager, Affiliate or supplier of any of the Independent Parties, or (D) a member of the immediate family of any director, officer, employee, partner, shareholder, member, manager, Affiliate or supplier of any of the Independent Parties; (ii) has prior experience as an independent director for a corporation or limited liability company whose charter documents required the unanimous consent of all independent directors thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (iii) has at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities.

“JPM Chase” means JPMorgan Chase Bank, N.A., in its individual capacity and its successors.

“LIBO Rate” means the sum of (i) (x) with respect to Chariot Funding LLC and PNC Bank, National Association, the Daily/90 Day LIBOR Rate, as defined in Schedule C, or (y) with respect to the other Financial Institutions, subject to the limitation contained in the last sentence of Section 4.1, (a) the rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page1 (or any successor or substitute page) as the London Interbank offered rate for deposits in U.S. dollars at approximately 11:00 a.m. (London

time) two Business Days prior to the first day of the relevant Tranche Period and for delivery on the first day of such Tranche Period, for the number of days comprised therein, and in an amount equal to or comparable to the amount of the Capital associated with such Tranche Period (provided, that if at least two such offered rates appear on Reuters Screen LIBOR01 Page1, the rate in respect of such Tranche Period will be the arithmetic mean of such offered rates), divided by (b) one minus a percentage (expressed as a decimal) equal to the daily average during such Tranche Period of the percentage in effect on each day of such Tranche Period, as prescribed by the Board of Governors of the Federal Reserve System (or any successor thereto), for determining the aggregate maximum reserve requirements applicable to “Eurocurrency Liabilities” pursuant to Regulation D or any other then applicable regulation of such Board of Governors which prescribes reserve requirements applicable to “Eurocurrency Liabilities” as presently defined in Regulation D, plus (ii) the Applicable Margin; provided, however, that if the LIBO Rate as determined herein would be less than zero percent (0.00%) on any day, for purposes of this Agreement, such rate shall be deemed to be zero percent (0.00%) for such day. If for any reason the foregoing rates are unavailable from the Reuters service, then such rate of interest shall be based upon another market quotation rate source as determined by JPMorgan Chase Bank, N.A.

“Liquidity Provider Termination Date” has the meaning set forth in Section 2.2.

“Liquidity Termination Date” means August 19, 2018.

“Lock-Box” means each locked postal box with respect to which a bank who has executed a Collection Account Agreement has been granted exclusive access for the purpose of retrieving and processing payments made on the Receivables and which is listed on Exhibit IV.

“Long-Term Debt” means, at any time, in respect of Avnet, any publicly-held senior unsecured debt obligations outstanding at any such time with a maturity more than one year after the date of any determination hereunder.

“Loss Horizon Factor” means, at any time, a percentage equal to (i) the aggregate amount of Receivables, less the amount of such Receivables that are rebilled to the Obligor, originated during the four fiscal month period then most recently ended, divided by (ii) the aggregate Outstanding Balance of all Non-Delinquent Receivables at the end of the calendar month period then most recently ended.

“Loss Percentage” means at any time the greater of (i) 10% and (ii) a percentage calculated in accordance with the following formula:

$$LP = SF \times LHF \times LR$$

where:

LP	=	the Loss Percentage;
SF	=	the Stress Factor;
LHF	=	the Loss Horizon Factor; and
LR	=	the highest three month rolling average of the Default Ratios occurring during the 12 most recent fiscal months.

“Loss Reserve” means, on any date, an amount equal to the Loss Percentage multiplied by the Net Receivables Balance as of the close of business of the Servicer on such date.

“Loss Ratio Trigger” means, at any time, a percentage equal to (i) the aggregate Outstanding Balance of all Receivables that were Defaulted Receivables at such time, divided by (ii) the aggregate Outstanding Balance of all Receivables at such time.

“Material Adverse Effect” means a material adverse effect on (i) the financial condition or operations of any Seller Party and its Subsidiaries or any Originating Entity and its Subsidiaries, (ii) the ability of any Seller Party to

perform its obligations under this Agreement or the ability of the Subsidiary Originator to perform its obligations under the Subsidiary RSA, (iii) the legality, validity or enforceability of this Agreement or any other Transaction Document, (iv) any Purchaser's interest in the Receivables generally or in any significant portion of the Receivables, the Related Security or the Collections with respect thereto, or (v) the collectibility of the Receivables generally or of any material portion of the Receivables.

"Monthly Report" means a report, in substantially the form of Exhibit X hereto (appropriately completed), furnished by the Servicer to the Agent pursuant to Section 8.5.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Receivables Balance" means, at any time, the aggregate Outstanding Balance of all Eligible Receivables at such time reduced by the aggregate amount by which the Outstanding Balance of all Eligible Receivables of each Obligor and its Affiliates exceeds the Concentration Limit for such Obligor.

"Non-Delinquent Receivables" means, at any time, the aggregate Outstanding Balance of all Receivables that are not Delinquent Receivables.

"Non-Renewing Financial Institution" has the meaning set forth in Section 4.6(a).

"Obligations" shall have the meaning set forth in Section 2.1.

"Obligor" means a Person obligated to make payments pursuant to a Contract.

"Original Agreement" has the meaning set forth in the Preliminary Statements to this Agreement.

"Originating Entity" means Originator or the Subsidiary Originator.

"Originator" means Avnet, Inc., in its capacity as seller under the Receivables Sale Agreement.

"Other Costs" has the meaning set forth in Section 10.3.

"Other Sellers" has the meaning set forth in Section 10.4.

"Other Servicer Collected Funds" means any cash collections, other cash proceeds or other amounts deposited, credited or funded to any Collection Account, to the extent such cash collections, other cash proceeds or other amounts do not constitute Collections.

"Outstanding Balance" of any Receivable at any time means the then outstanding principal balance thereof.

"Participant" has the meaning set forth in Section 12.2.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"PNC" has the meaning set forth in the Preliminary Statements to this Agreement.

"PNC Company" has the meaning set forth in the Preliminary Statements to this Agreement."

"Pooled Commercial Paper" has the meaning set forth in Schedule C to this Agreement.

"Potential Amortization Event" means an event which, with the passage of time or the giving of notice, or both, would constitute an Amortization Event.

“Prime Rate” means a rate per annum equal to the prime rate of interest announced from time to time by the Agent.

“Proposed Reduction Date” has the meaning set forth in Section 1.3.

“Pro Rata Share” means, (a) for each Financial Institution, a percentage equal to (i) the Commitment of such Financial Institution, divided by (ii) the aggregate amount of all Commitments of all Financial Institutions in such Financial Institution’s Purchaser Group, adjusted as necessary to give effect to the application of the terms of Section 4.6 and (b) for each Company, a percentage equal to (i) the Company Purchase Limit of such Company, divided by (ii) the aggregate amount of all Company Purchase Limits of all Companies hereunder.

“Purchase Limit” means \$800,000,000, as such amount may be modified in accordance with the terms of Section 4.6(b).

“Purchase Notice” has the meaning set forth in Section 1.2.

“Purchase Price” means, with respect to any Incremental Purchase of a Purchaser Interest, the amount paid to Seller for such Purchaser Interest which shall not exceed the least of (i) the amount requested by Seller in the applicable Purchase Notice, (ii) the unused portion of the Purchase Limit on the applicable purchase date and (iii) the excess, if any, of (A) 97% or, if the Purchaser Interest Condition is existing on the applicable purchase date, 100% of the amount equal to (1) the Net Receivables Balance on the applicable purchase date, minus (2) the Aggregate Reserves on the applicable purchase date, over (B) the aggregate outstanding amount of Aggregate Capital on the applicable purchase date, immediately prior to such proposed Incremental Purchase.

“Purchaser Group” means with respect to (i) each Company, a group consisting of such Company and its Related Financial Institutions and (ii) each Financial Institution, a group consisting of such Financial Institution, the Company for which such Financial Institution is a Related Financial Institution and each other Financial Institution that is a Related Financial Institution for such Company.

“Purchaser Interest Condition” means that either the rating of Avnet’s Long-Term Debt is equal to BBB- or higher by S&P or Baa3 or higher by Moody’s.

“Purchasers” means each Company and each Financial Institution.

“Purchaser Interest” means, at any time, an undivided percentage ownership interest (computed as set forth below) associated with a designated amount of Capital, selected pursuant to the terms and conditions hereof in (i) each Receivable arising prior to the time of the most recent computation or recomputation of such undivided interest, (ii) all Related Security with respect to each such Receivable, and (iii) all Collections with respect to, and other proceeds of, each such Receivable. Each such undivided percentage interest shall equal:

$$\frac{C}{(NRB - AR)}$$

where:

C = the Capital of such Purchaser Interest.

AR = the Aggregate Reserves.

NRB = the Net Receivables Balance.

Such undivided percentage ownership interest shall be initially computed on its date of purchase. Thereafter, until the Amortization Date, each Purchaser Interest shall be automatically recomputed (or deemed to be recomputed) on each day prior to the Amortization Date. The variable percentage

represented by any Purchaser Interest as computed (or deemed recomputed) as of the close of the business day immediately preceding the Amortization Date shall remain constant at all times thereafter.

“Purchasing Financial Institution” has the meaning set forth in Section 12.1(b).

“Ratings Request” has the meaning set forth in Section 10.2(c).

“RBS” has the meaning set forth in the Preliminary Statements to this Agreement.

“RBS Company” has the meaning set forth in the Preliminary Statements to this Agreement.

“RBS–BTMU Transferred Capital” has the meaning set forth in Section 13.15(c).

“RBS–CA Transferred Capital” has the meaning set forth in Section 13.15(b).

“Receivable” means all indebtedness and other obligations owed to Seller or any Originating Entity (at the time it arises, and before giving effect to any transfer or conveyance under the Subsidiary RSA, the Receivables Sale Agreement, the Original Agreement, the Existing Agreement or hereunder) or in which Seller or any Originating Entity has a security interest or other interest (including, without limitation, any indebtedness, obligation or interest constituting an account, chattel paper, instrument or general intangible), arising in connection with the sale of merchandise or the rendering of services by any Originating Entity, and further includes, without limitation, the obligation to pay any Finance Charges with respect thereto; provided, that ‘Receivable’ shall not include any Excluded Receivable. Indebtedness and other rights and obligations arising from any one transaction, including, without limitation, indebtedness and other rights and obligations represented by an individual invoice, shall constitute a Receivable separate from a Receivable consisting of the indebtedness and other rights and obligations arising from any other transaction; provided, that any indebtedness, rights or obligations referred to in the immediately preceding sentence shall be a Receivable regardless of whether the account debtor or Seller treats such indebtedness, rights or obligations as a separate payment obligation.

“Receivables Sale Agreement” means that certain Receivables Sale Agreement, dated as of June 28, 2001, between Originator and Seller, as amended from time to time.

“Recharacterization” has the meaning set forth in Section 13.14(c).

“Records” means, with respect to any Receivable, all Contracts and other documents, books, records and other information (including, without limitation, computer programs, tapes, disks, punch cards, data processing software and related property and rights) relating to such Receivable, any Related Security therefor and the related Obligor.

“Reduction Notice” has the meaning set forth in Section 1.3.

“Regulatory Requirement” has the meaning set forth in Section 10.2(a).

“Reinvestment” has the meaning set forth in Section 2.2.

“Related Financial Institution” means with respect to each Company, each Financial Institution set forth opposite such Company’s name in Schedule A to this Agreement and/or, in the case of an assignment pursuant to Section 12.1, set forth in the applicable Assignment Agreement.

“Related Security” means, with respect to any Receivable:

(i) all of Seller’s interest in the inventory and goods (including returned or repossessed inventory or goods), if any, the sale of which by any Originating Entity gave rise to such Receivable (including as a result of related financing arrangements), and all insurance contracts with respect thereto,

(ii) except to the extent prohibited by the terms of any Contract (unless, and to the extent, such prohibition is rendered ineffective by law, including, without limitation, statutory authority), all other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all financing statements and security agreements describing any collateral securing such Receivable,

(iii) except to the extent prohibited by the terms of any Contract (unless, and to the extent, such prohibition is rendered ineffective by law, including, without limitation, statutory authority), all guaranties, letters of credit, insurance, “supporting obligations” (within the meaning of Section 9-102(a) of the UCC of all applicable jurisdictions) and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise,

(iv) except to the extent prohibited by the terms of any Contract (unless, and to the extent, such prohibition is rendered ineffective by law, including, without limitation, statutory authority), all service contracts and other contracts and agreements associated with such Receivable,

(v) all Records related to such Receivable,

(vi) all of Seller’s right, title and interest in, to and under the Receivables Sale Agreement and, if applicable, the Subsidiary RSA in respect of such Receivable,

(vii) all of Seller’s right, title and interest in, to and under each Lock-Box, each Collection Account and each Collection Account Agreement, and

(vii) all proceeds of any of the foregoing.

“Required Notice Period” means the number of days required notice set forth below applicable to the Aggregate Reduction indicated below:

<u>Aggregate Reduction</u>	<u>Required Notice Period</u>
≤\$100,000,000	two Business Days
\$100,000,000 to \$250,000,000	five Business Days
>\$250,000,000	ten Business Days

“Required Purchasers” means, at any time, collectively, the Financial Institutions with Commitments in excess of 66-2/3% of the aggregate Commitments and the Companies with Company Purchase Limits in excess of 66-2/3% of the aggregate amount of all Company Purchase Limits of all Companies hereunder.

“Required Rating” has the meaning set forth in Section 10.2(c).

“Restricted Junior Payment” means (i) any dividend or other distribution, direct or indirect, on account of any shares of any class of capital stock of Seller now or hereafter outstanding, except a dividend payable solely in shares of that class of stock or in any junior class of stock of Seller, (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of capital stock of Seller now or hereafter outstanding, (iii) any payment or prepayment of principal of, premium, if any, or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission with respect to the Subordinated Loans (as defined in the Receivables Sale Agreement), (iv) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of capital stock of Seller now or hereafter outstanding, and (v) any payment of management fees by Seller (except for reasonable management fees to the Servicer or its Affiliates in reimbursement of actual management services performed).

“RSA Amendment” means that certain Amendment No. 8 to the Receivables Sale Agreement, dated as of August 26, 2010, between Originator and Seller.

“S&P” means Standard & Poor’s Ratings Services and its successors.

“Sanctioned Country” shall mean, at any time, a country or territory which is the subject or target of any country-wide Sanctions.

“Sanctions” shall mean economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of Commerce, or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Scotia” has the meaning set forth in the Preliminary Statements to this Agreement.

“Scotia Company” means Liberty Street Funding LLC, as successor to Liberty Street Funding Corporation, and its successors.

“Scotia–BTMU Transferred Capital” has the meaning set forth in Section 13.15(d).

“Seller” has the meaning set forth in the preamble to this Agreement.

“Seller Parties” has the meaning set forth in the preamble to this Agreement.

“Servicer” means at any time the Person (which may be the Agent) then authorized pursuant to Article VIII to service, administer and collect Receivables.

“Servicing and Yield Reserve” means, on any date, an amount equal to 2% multiplied by the Net Receivables Balance as of the close of business of the Servicer on such date.

“Servicing Fee” has the meaning set forth in Section 8.6.

“Settlement Date” means (A) the 20th calendar day of each month (and if such day is not a Business Day, then the next Business Day), and (B) the last day of the relevant Tranche Period in respect of each Purchaser Interest of any Financial Institution.

“Settlement Period” means (A) in respect of each Purchaser Interest of the Companies, the immediately preceding Accrual Period, and (B) in respect of each Purchaser Interest of any Financial Institution, the entire Tranche Period of such Purchaser Interest.

“SMBC” has the meaning set forth in the Preliminary Statements to this Agreement.

“SMBC Company” has the meaning set forth in the Preliminary Statements to this Agreement.

“Stress Factor” shall mean a number equal to 2.25.

“Subsidiary” of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, association, limited liability company, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a “Subsidiary” shall mean a Subsidiary of Seller.

“Subsidiary Originator” has the meaning set forth in the Preliminary Statements to this Agreement.

“Subsidiary RSA” has the meaning set forth in the Preliminary Statements to this Agreement.

“Terminating Commitment Amount” means, with respect to any Terminating Financial Institution, an amount equal to the Commitment (without giving effect to clause (iii) of the proviso to the penultimate sentence of Section 4.6(b)) of such Terminating Financial Institution, minus, an amount equal to 2% of such Commitment.

“Terminating Commitment Availability” means, with respect to any Terminating Financial Institution, the positive difference (if any) between (a) an amount equal to the Commitment (without giving effect to clause (iii) of the proviso to the penultimate sentence of Section 4.6(b)) of such Terminating Financial Institution, minus, an amount equal to 2% of such Commitment minus (b) the Capital of the Purchaser Interests funded by such Terminating Financial Institution.

“Terminating Financial Institution” shall have the meaning set forth in Section 4.6(b).

“Termination Percentage” has the meaning set forth in Section 2.2.

“Terminating Tranche” has the meaning set forth in Section 4.3(b).

“Tranche Period” means, with respect to any Purchaser Interest held by a Financial Institution:

(a) if Yield for such Purchaser Interest is calculated on the basis of the LIBO Rate, a period of one, two, three, four or six months, commencing on a Business Day selected by Seller or the applicable Financial Institution pursuant to this Agreement. Such Tranche Period shall end on the day in the applicable succeeding calendar month which corresponds numerically to the beginning day of such Tranche Period, provided, however, that if there is no such numerically corresponding day in such succeeding month, such Tranche Period shall end on the last Business Day of such succeeding month; or

(b) if Yield for such Purchaser Interest is calculated on the basis of the Alternative Base Rate, a period commencing on a Business Day selected by Seller and agreed to by the applicable Financial Institution, provided no such period shall exceed one month.

If any Tranche Period would end on a day which is not a Business Day, such Tranche Period shall end on the next succeeding Business Day, provided, however, that in the case of Tranche Periods corresponding to the LIBO Rate, if such next succeeding Business Day falls in a new month, such Tranche Period shall end on the immediately preceding Business Day. In the case of any Tranche Period for any Purchaser Interest which commences before the Amortization Date and would otherwise end on a date occurring after the Amortization Date, such Tranche Period shall end on the Amortization Date. The duration of each Tranche Period which commences after the Amortization Date shall be of such duration as selected by the applicable Financial Institution.

“Transaction Documents” means, collectively, this Agreement, the Original Agreement, the Existing Agreement, each Purchase Notice, the Receivables Sale Agreement, the Subsidiary RSA, each Collection Account Agreement, the Fee Letters, the Subordinated Note (as defined in the Receivables Sale Agreement) and all other instruments, documents and agreements executed and delivered in connection herewith or in connection with the Original Agreement or the Existing Agreement.

“UCC” means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction.

“Weekly Report” means a report, in form and substance acceptable to the Agent (appropriately completed), furnished by the Servicer to the Agent pursuant to Section 8.5.

“Weekly Reporting Condition” means that either (i) the rating of Avnet’s Long-Term Debt is lower than BBB- by S&P and lower than Baa3 by Moody’s or (ii) no rating for Avnet’s Long-Term Debt is available from either Moody’s or S&P.

“Wells” means Wells Fargo Bank, National Association, a national banking association.

“Wells Company” means Wells Fargo Bank, National Association, a national banking association.

“Yield” means for each respective Tranche Period relating to Purchaser Interests of the Financial Institutions, an amount equal to the product of the applicable Discount Rate for each Purchaser Interest multiplied by the Capital of such Purchaser Interest for each day elapsed during such Tranche Period, annualized on a 360 day basis.

All accounting terms not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and not specifically defined herein, are used herein as defined in such Article 9. All section references herein to the UCC shall include all successor sections under any subsequent version or amendment to any Article of the UCC.

EXHIBIT II

FORM OF PURCHASE NOTICE

[Date]

JPMorgan Chase Bank, N.A.,
as Agent
10 S Dearborn St, 16th Floor
Chicago, Illinois 60603
Attention: Asset Backed Securities Conduit Group

ABS.Treasury.Dept@jpmorgan.com

Attention: _____

Re: PURCHASE NOTICE

Ladies and Gentlemen:

Reference is hereby made to the Second Amended and Restated Receivables Purchase Agreement, dated as of August 26, 2010, by and among Avnet Receivables Corporation, a Delaware corporation (the "Seller"), Avnet, Inc., as Servicer, the Financial Institutions, the Companies and JPMorgan Chase Bank, N.A., as Agent (as amended, restated, supplemented or otherwise modified from time to time the "Receivables Purchase Agreement"). Capitalized terms used herein shall have the meanings assigned to such terms in the Receivables Purchase Agreement.

The Agent is hereby notified of the following Incremental Purchase:

Purchase Price:	\$ _____
Date of Purchase:	_____
Requested Discount Rate:	[LIBO Rate] [Alternative Base Rate]
Requested Tranche Period:	

Please credit the Purchase Price in immediately available funds to our Facility Account [and then wire-transfer the Purchase Price in immediately available funds on the above-specified date of purchase to]:

[Account Name]

[Account No.]

[Bank Name & Address]

[ABA #]

Reference:

Telephone advice to: [Name] @ tel. No. ()

Please advise [Name] at telephone no () _____ if any Company will not be making this purchase.

In connection with the Incremental Purchase to be made on the above listed "Date of Purchase" (the "Purchase Date"), the Seller hereby certifies that the following statements are true on the date hereof, and will be true on the Purchase Date (before and after giving effect to the proposed Incremental Purchase):

(i) the representations and warranties of the Seller set forth in Section 5.1 of the Receivables Purchase Agreement are true and correct on and as of the Purchase Date as though made on and as of such date;

(ii) no event has occurred and is continuing, or would result from the proposed Incremental Purchase, that will constitute an Amortization Event or a Potential Amortization Event;

(iii) the Facility Termination Date has not occurred, the Aggregate Capital does not exceed the Purchase Limit and the aggregate Purchaser Interests do not exceed 97% or, if the Purchaser Interest Condition is existing on the date hereof and on the Purchase Date, 100%; and

(iv) the amount of Aggregate Capital is \$ _____ after giving effect to the Incremental Purchase to be made on the Purchase Date.

Very truly yours,

AVNET RECEIVABLES CORPORATION

By: _____

Name:

Title:

EXHIBIT III

PLACES OF BUSINESS, JURISDICTIONS OF ORGANIZATION AND CHIEF EXECUTIVE OFFICES; LOCATIONS OF RECORDS;
ORGANIZATIONAL NUMBER(S); FEDERAL EMPLOYER IDENTIFICATION NUMBER(S); OTHER NAMES

SERVICER:

Principal Place of Business: 2211 South 47th Street
Phoenix, Arizona 85034

Jurisdiction of Organization: New York

Chief Executive Office: 2211 South 47th Street
Phoenix, Arizona 85034

Location(s) of Records: 2211 South 47th Street
Phoenix, Arizona 85034

8700 S. Price Road
Tempe, Arizona 85284

Organizational Number: None

Federal Employer
Identification Number: 11-1890605

Other Names: None

SELLER:

Principal Place of Business: 2211 South 47th Street
Phoenix, Arizona 85034

Jurisdiction of Organization: Delaware

Chief Executive Office: 2211 South 47th Street
Phoenix, Arizona 85034

Location(s) of Records: 2211 South 47th Street
Phoenix, Arizona 85034

8700 S. Price Road
Tempe, Arizona 85284

Organizational Number: 3406901

Federal Employer
Identification Number: 86-1034377

Other Names: None

EXHIBIT IV

NAMES OF COLLECTION BANKS; COLLECTION ACCOUNTS

	Lock-Box	Related Collection Account	Related Originating Entity
1.	Bank of America, N.A. Ms. Cindy Hastings 555 S. Flower Street, 3rd Floor Los Angeles, California 90071	Deposit Account Number: 3752134661	Avnet, Inc.

Lock-Boxes

	P.O. Box 847722 Dallas, Texas 75202-7722		
2.	JPMorgan Chase Bank, N.A. Carol Willoughby 560 Mission Street, Floor 03 San Francisco, CA, 94105-2907	Lock-Box Account No.: 59- 37116	Avnet, Inc.

Lock-Boxes

	P.O. Box #100340 Pasadena, California 91189-0340		
	P.O. Box #70390 Chicago, Illinois 60673- 0390		
3.	JPMorgan Chase Bank, N.A. Carol Willoughby 560 Mission Street, Floor 03 San Francisco, CA, 94105-2907	Account Number: 100052874	AVT Technology Solutions LLC

Lock-Boxes

	P.O. Box 101881 Pasadena, CA 91189-1881		
	Box #29160 29160 Network Place Chicago, IL 60673-1160		
4.	Bank of America, N.A. Ms. Cindy Hastings 555 S. Flower Street, 3rd Floor Los Angeles, CA 90071	Account Number: 4451203452	AVT Technology Solutions LLC

Lock-Box

P. O. Box 844144
Dallas, TX 75284-4144

EXHIBIT V

FORM OF COMPLIANCE CERTIFICATE

To: JPMorgan Chase Bank, N.A., as Agent

This Compliance Certificate is furnished pursuant to that certain Second Amended and Restated Receivables Purchase Agreement dated as of August 26, 2010 among Avnet Receivables Corporation (the “Seller”), Avnet, Inc. (the “Servicer”), the Purchasers party thereto and JPMorgan Chase Bank, N.A., as agent for such Purchasers (as the same may be amended, supplemented, restated or otherwise modified from time to time, the “Agreement”). Capitalized terms used and not otherwise defined herein are used with the meanings attributed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of [Insert name of applicable Seller Party] (the “Applicable Party”).

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Applicable Party and its Subsidiaries during the accounting period covered by the attached financial statements.

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes an Amortization Event or Potential Amortization Event during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth in paragraph 5 below.

4. Schedule I attached hereto sets forth financial data and computations evidencing the compliance with certain covenants of the Agreement, all of which data and computations are true, complete and correct.

5. Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Applicable Party has taken, is taking, or proposes to take with respect to each such condition or event:

6. As of the date hereof, the jurisdiction of organization of Seller is Delaware, the jurisdiction of organization of the Servicer is New York, each of the Seller and the Servicer is a “registered organization” (within the meaning of Section 9-102 of the UCC in effect in Delaware or New York, as applicable) and neither Seller or the Servicer has changed its jurisdiction of organization since June 28, 2001.

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this __ day of ____, __.

By: _____
Name:
Title:

SCHEDULE I TO COMPLIANCE CERTIFICATE

- A. Schedule of Compliance as of _____, ____ with Section __ of the Agreement. Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

This schedule relates to the month ended:

Exh V-3

FORM OF COLLECTION ACCOUNT AGREEMENT

[On letterhead of Originating Entity]

_____, ____

[Lock-Box Bank/Concentration Bank/Depository Bank]

Re: [Name of Originating Entity]

Ladies and Gentlemen:

Reference is hereby made to P.O. Box # _____ in [city, state, zip code] (the "Lock-Box") of which you have exclusive control for the purpose of receiving mail and processing payments therefrom pursuant to that certain [name of lock-box agreement] between you and [Avnet, Inc.][AVT Technology Solutions LLC] (the "Company") dated _____ (the "Agreement"). You hereby confirm your agreement to perform the services described therein. Among the services you have agreed to perform therein, is to endorse all checks and other evidences of payment, and credit such payments to the Company's checking account no. _____ maintained with you in the name of the Company (the "Lock-Box Account"). You hereby confirm and agree that the Lock-Box Account is a "deposit account" within the meaning of Section 9-102(a)(29) of Revised Article 9. As used herein, "Revised Article 9" means the 1999 Official Text of Article 9 of the Uniform Commercial Code with conforming amendments to Articles 1, 2, 2a, 4, 5, 6, 7 and 8 until such time as a version of such Official Text is adopted in the State of New York and subsequent thereto shall mean the version of such Official Text as adopted.

The Company hereby informs you that pursuant to that certain [Receivables Sale Agreement, dated as of _____, ____ between the Company and Avnet, Inc. and that certain] Receivables Sale Agreement, dated as of _____, ____ between the Company and Avnet Receivables Corporation (the "Seller"), all of the Company's right, title and interest in and to, and exclusive ownership and control of, the Lock-Box and the Lock-Box Account has been transferred to Seller. The Company and Seller hereby request that the name of the Lock-Box Account be changed to "[Avnet, Inc.], as Servicer."

The Company and Seller hereby irrevocably instruct you, and you hereby agree, that upon receiving notice from JPMorgan Chase Bank, N.A. ("JPM Chase") in the form attached hereto as Annex A: (i) the name of the Lock-Box Account will be changed to JPM Chase for itself and as agent (or any designee of JPM Chase) and JPM Chase will have exclusive ownership of and access to the Lock-Box and the Lock-Box Account, and neither the Company, Seller, nor any of their respective affiliates will have any control of the Lock-Box or the Lock-Box Account or any access thereto, (ii) you will either continue to send the funds from the Lock-Box to the Lock-Box Account, or will redirect the funds as JPM Chase may otherwise request, (iii) you will transfer monies on deposit in the Lock-Box Account, at any time, as directed by JPM Chase and otherwise comply with all instructions received from JPM Chase with respect to

the Lock-Box and the Lock-Box Account without further consent by Company, Seller or any other person or entity, (iv) all services to be performed by you under the Agreement will be performed on behalf of JPM Chase, and (v) all correspondence or other mail which you have agreed to send to the Company or Seller will be sent to JPM Chase at the following address:

JPMorgan Chase Bank, N.A.
10 S Dearborn St, 16th Floor
Chicago, Illinois 60603
Attention: Asset Backed Securities Conduit Group

Moreover, upon such notice, JPM Chase for itself and as agent will have all rights and remedies given to the Company (and Seller, as the Company's assignee) under the Agreement. Seller agrees, however, to continue to pay all fees and other assessments due thereunder at any time.

You hereby acknowledge that monies deposited in the Lock-Box Account or any other account established with you by JPM Chase for the purpose of receiving funds from the Lock-Box are subject to the liens of JPM Chase for itself and as agent, and will not be subject to deduction, set-off, banker's lien or any other right you or any other party may have against the Company or Seller.

THIS LETTER AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER WILL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS. This letter agreement may be executed in any number of counterparts and all of such counterparts taken together will be deemed to constitute one and the same instrument.

Regardless of any provisions in any other agreement, for purposes of the Uniform Commercial Code as in effect in the State of Illinois and Revised Article 9, Illinois shall be deemed to be your jurisdiction (within the meaning of Section 9-304 of Revised Article 9) and the Lock-Box Account shall be governed by the laws of the State of Illinois. This letter agreement may be executed in any number of counterparts and all of such counterparts taken together will be deemed to constitute one and the same instrument.

This letter agreement contains the entire agreement between the parties, and may not be altered, modified, terminated or amended in any respect, nor may any right, power or privilege of any party hereunder be waived or released or discharged, except upon execution by all parties hereto of a written instrument so providing. In the event that any provision in this letter agreement is in conflict with, or inconsistent with, any provision of the Agreement, this letter agreement will exclusively govern and control. Each party agrees to take all actions reasonably requested by any other party to carry out the purposes of this letter agreement or to preserve and protect the rights of each party hereunder.

Please indicate your agreement to the terms of this letter agreement by signing in the space provided below. This letter agreement will become effective immediately upon execution of a counterpart of this letter agreement by all parties hereto.

Very truly yours,
[AVNET, INC.][AVT Technology Solutions LLC]

By: _____
Name:
Title:

AVNET RECEIVABLES CORPORATION

By: _____
Name:
Title:

Acknowledged and agreed to
this day of

[COLLECTION BANK]

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., as Agent

By: _____
Name:
Title:

ANNEX A

FORM OF NOTICE

[On letterhead of JPM Chase]

_____, ____

[Collection Bank/Depositary Bank/Concentration Bank]

Re: [Avnet, Inc.]/[AVT Technology Solutions LLC]/Avnet Receivables Corporation

Ladies and Gentlemen:

We hereby notify you that we are exercising our rights pursuant to that certain letter agreement among [Avnet, Inc.]/[AVT Technology Solutions LLC], Avnet Receivables Corporation, you and us, to have the name of, and to have exclusive ownership and control of, account number _____ (the "Lock-Box Account") maintained with you, transferred to us. [Lock-Box Account will henceforth be a zero-balance account, and funds deposited in the Lock-Box Account should be sent at the end of each day to _____.] You have further agreed to perform all other services you are performing under that certain agreement dated _____ between you and [Avnet, Inc.]/[AVT Technology Solutions LLC] on our behalf.

We appreciate your cooperation in this matter.

Very truly yours,

JPMORGAN CHASE BANK, N.A
(for itself and as agent)

By: _____
Name: _____
Title: _____

EXHIBIT VII

FORM OF ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this "Assignment Agreement") is entered into as of the ____ day of _____, by and between _____ ("Assignor") and _____ ("Assignee").

PRELIMINARY STATEMENTS

A. This Assignment Agreement is being executed and delivered in accordance with Section 12.1(b) of that certain Second Amended and Restated Receivables Purchase Agreement dated as of August 26, 2010, by and among Avnet Receivables Corporation, as Seller, Avnet, Inc., as Servicer, the Companies party thereto, JPMorgan Chase Bank, N.A., as Agent, and the Financial Institutions party thereto (as amended, modified or restated from time to time, the "Purchase Agreement"). Capitalized terms used and not otherwise defined herein are used with the meanings set forth or incorporated by reference in the Purchase Agreement.

B. Assignor is a Financial Institution party to the Purchase Agreement, and Assignee wishes to become a Financial Institution thereunder; and

C. Assignor is selling and assigning to Assignee an undivided _____ % (the "Transferred Percentage") interest in all of Assignor's rights and obligations under the Purchase Agreement and the Transaction Documents, including, without limitation, Assignor's Commitment and (if applicable) the Capital of Assignor's Purchaser Interests as set forth herein.

AGREEMENT

The parties hereto hereby agree as follows:

1. The sale, transfer and assignment effected by this Assignment Agreement shall become effective (the "Effective Date") two (2) Business Days (or such other date selected by the Agent in its sole discretion) following the date on which a notice substantially in the form of Schedule II to this Assignment Agreement ("Effective Notice") is delivered by the Agent to the Company in the Assignor's and Assignee's Purchaser Group, Assignor and Assignee. From and after the Effective Date, Assignee shall be a Financial Institution party to the Purchase Agreement for all purposes thereof as if Assignee were an original party thereto and Assignee agrees to be bound by all of the terms and provisions contained therein.

2. If Assignor has no outstanding Capital under the Purchase Agreement, on the Effective Date, Assignor shall be deemed to have hereby transferred and assigned to Assignee, without recourse, representation or warranty (except as provided in paragraph 6 below), and the Assignee shall be deemed to have hereby irrevocably taken, received and assumed from Assignor, the Transferred Percentage of Assignor's Commitment and all rights and obligations associated therewith under the terms of the Purchase Agreement, including,

without limitation, the Transferred Percentage of Assignor's future funding obligations under Article I of the Purchase Agreement.

3. If Assignor has any outstanding Capital under the Purchase Agreement, at or before 12:00 noon, local time of Assignor, on the Effective Date Assignee shall pay to Assignor, in immediately available funds, an amount equal to the sum of (i) the Transferred Percentage of the outstanding Capital of Assignor's Purchaser Interests (such amount, being hereinafter referred to as the "Assignee's Capital"); (ii) all accrued but unpaid (whether or not then due) Yield attributable to Assignee's Capital; and (iii) accruing but unpaid fees and other costs and expenses payable in respect of Assignee's Capital for the period commencing upon each date such unpaid amounts commence accruing, to and including the Effective Date (the "Assignee's Acquisition Cost"); whereupon, Assignor shall be deemed to have sold, transferred and assigned to Assignee, without recourse, representation or warranty (except as provided in paragraph 6 below), and Assignee shall be deemed to have hereby irrevocably taken, received and assumed from Assignor, the Transferred Percentage of Assignor's Commitment and the Capital of Assignor's Purchaser Interests (if applicable) and all related rights and obligations under the Purchase Agreement and the Transaction Documents, including, without limitation, the Transferred Percentage of Assignor's future funding obligations under Article I of the Purchase Agreement.

4. Concurrently with the execution and delivery hereof, Assignor will provide to Assignee copies of all documents requested by Assignee which were delivered to Assignor pursuant to the Purchase Agreement.

5. Each of the parties to this Assignment Agreement agrees that at any time and from time to time upon the written request of any other party, it will execute and deliver such further documents and do such further acts and things as such other party may reasonably request in order to effect the purposes of this Assignment Agreement.

6. By executing and delivering this Assignment Agreement, Assignor and Assignee confirm to and agree with each other, the Agent and the other Financial Institutions in the Assignor's and Assignee's Purchaser Group as follows: (a) other than the representation and warranty that it has not created any Adverse Claim upon any interest being transferred hereunder, Assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made by any other Person in or in connection with the Purchase Agreement or the Transaction Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of Assignee, the Purchase Agreement or any other instrument or document furnished pursuant thereto or the perfection, priority, condition, value or sufficiency of any collateral; (b) Assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Seller, any Obligor, any Affiliate of Seller or the performance or observance by the Seller, any Obligor, any Affiliate of Seller of any of their respective obligations under the Transaction Documents or any other instrument or document furnished pursuant thereto or in connection therewith; (c) Assignee confirms that it has received a copy of the Purchase Agreement and copies of such other Transaction Documents, and other documents and information as it has requested and deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement; (d) Assignee will, independently and without reliance upon the Agent, any

Company, the Seller or any other Financial Institution or Purchaser and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Purchase Agreement and the Transaction Documents; (e) Assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Transaction Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (f) Assignee agrees that it will perform in accordance with their terms all of the obligations which, by the terms of the Purchase Agreement and the other Transaction Documents, are required to be performed by it as a Financial Institution (including, without limitation, as a Related Financial Institution) or, when applicable, as a Purchaser.

7. Each party hereto represents and warrants to and agrees with the Agent that it is aware of and will comply with the provisions of the Purchase Agreement, including, without limitation, Article I and Sections 4.1, and 13.6 thereof.

8. Schedule I hereto sets forth the revised Commitment of Assignor, the Company for which Assignee shall act as a Related Financial Institution and the Commitment of Assignee, as well as administrative information with respect to Assignee.

9. THIS ASSIGNMENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

10. Assignee hereby covenants and agrees that, prior to the date which is one year and one day after the payment in full of all senior indebtedness for borrowed money of any Company, it will not institute against, or join any other Person in instituting against, any Company any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed by their respective duly authorized officers of the date hereof.

[ASSIGNOR]

By: _____
Name: _____
Title: _____

[ASSIGNEE]

By: _____
Name: _____
Title: _____

SCHEDULE I TO ASSIGNMENT AGREEMENT

LIST OF LENDING OFFICES, ADDRESSES
FOR NOTICES AND COMMITMENT AMOUNTS

Date: _____, ____

Transferred Percentage: ____%

	A-1	A-2	B-1	B-2
Assignor	Commitment (prior to giving effect to the Assignment Agreement)	Commitment (after giving effect to the Assignment Agreement)	Outstanding Capital (if any)	Ratable Share of Outstanding Capital
		A-2	B-1	B-2
Assignee		Commitment (after giving effect to the Assignment Agreement)	Outstanding Capital (if any)	Ratable Share of Outstanding Capital

Assignee is a Related Financial Institution for: _____

Address for Notices

Attention:

Phone:

Fax:

SCHEDULE II TO ASSIGNMENT AGREEMENT

EFFECTIVE NOTICE

TO: _____, Assignor

TO: _____, Assignee

The undersigned, as Agent under the Second Amended and Restated Receivables Purchase Agreement dated as of August 26, 2010, by and among Avnet Receivables Corporation, a Delaware corporation, Avnet, Inc., as Servicer, the Companies party thereto, JPMorgan Chase Bank, N.A., as Agent, and the Financial Institutions party thereto (as amended, modified or restated from time to time, the "Purchase Agreement"), hereby acknowledges receipt of executed counterparts of a completed Assignment Agreement dated as of _____, __ between _____, as Assignor, and _____, as Assignee. Terms defined in such Assignment Agreement are used herein as therein defined.

1. Pursuant to such Assignment Agreement, you are advised that the Effective Date will be _____, __.

2. The Company in the Assignor's Purchaser Group hereby consents to the Assignment Agreement as required by Section 12.1(b) of the Purchase Agreement.

[3. Pursuant to such Assignment Agreement, the Assignee is required to pay \$ _____ to Assignor at or before 12:00 noon (local time of Assignor) on the Effective Date in immediately available funds.]

Very truly yours,

JPMORGAN CHASE BANK, N.A.,
individually and as Agent

By: _____
Title: _____

[APPLICABLE COMPANY]

By: _____
Title: _____

EXHIBIT VIII

CREDIT AND COLLECTION POLICY

See Attached

Exh VIII-1

EXHIBIT IX
FORM OF CONTRACT(S)

See Attached

Exh XI-1

EXHIBIT X

FORM OF MONTHLY REPORT

The attached Monthly Report is a true and accurate accounting pursuant to the terms of the Second Amended and Restated Receivables Purchase Agreement, dated as of August 26, 2010 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the “Agreement”), by and among a Avnet Receivables Corporation (the “Seller”), Avnet, Inc. (the “Servicer”), the Purchasers party thereto and JPMorgan Chase Bank, N.A., as agent for such Purchasers, and I have no knowledge of the existence of any conditions or events which constitute an Amortization Event or Potential Amortization Event, as each such term is defined under the Agreement, during or at the end of the accounting period covered by this monthly report or as of the date of this certificate, except as set forth below.

By: _____
Name: _____
Title: _____
Company Name: _____
Date: _____

Exh X-1

SCHEDULE A

COMMITMENTS, COMPANY PURCHASE LIMITS
AND RELATED FINANCIAL INSTITUTIONS

Commitments of Financial Institutions

<u>Financial Institution</u>	<u>Commitment</u>
Chariot Funding LLC	\$136,000,000
The Bank of Nova Scotia	\$136,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch	\$113,333,333.33
PNC Bank, National Association	\$111,111,111.11
Sumitomo Mitsui Banking Corporation	\$113,333,333.33
Branch Banking and Trust Company	\$66,666,666.67
Wells Fargo Bank, National Association	\$133,333,333.33

**Company Purchase Limits and
Related Financial Institutions of Companies**

<u>Company</u>	<u>Company Purchase Limit</u>	<u>Related Financial Institution(s)</u>
Chariot Funding LLC	\$133,333,333.34	Chariot Funding LLC
Liberty Street Funding LLC	\$133,333,333.33	The Bank of Nova Scotia
Victory Receivables Corporation	\$111,111,111.11	The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch
PNC Bank, National Association	\$111,111,111.11	PNC Bank, National Association
Manhattan Asset Funding Company LLC	\$111,111,111.11	Sumitomo Mitsui Banking Corporation
Branch Banking and Trust Company	\$66,666,666.67	Branch Banking and Trust Company
Wells Fargo Bank, National Association	\$133,333,333.33	Wells Fargo Bank, National Association

SCHEDULE B

DOCUMENTS TO BE DELIVERED
TO THE AGENT AND THE CURRENT FINANCIAL INSTITUTIONS
ON OR PRIOR TO THE DATE HEREOF

PART I: Documents to be Delivered in Connection with the RSA Amendment

1. Executed copies of the RSA Amendment, duly executed by the parties thereto.
2. Copy of the Resolutions of the Board of Directors of Originator (to the extent such resolutions are deemed required by counsel), certified by its Secretary and authorizing Originator's execution, delivery and performance of the Receivables Sale Agreement, the RSA Amendment and the other documents to be delivered by it thereunder.
3. Articles or Certificate of Incorporation of Originator certified by the Secretary of State of the jurisdiction of incorporation of Originator on or within thirty (30) days prior to the date hereof or a certificate of the Secretary of Originator certifying that the Articles or Certificate of Incorporation of Originator have not been amended, restated, supplemented or otherwise modified since the delivery thereof under the closing related to the Original Agreement.
4. Good Standing Certificate for Originator issued by the Secretaries of State of its state of incorporation and each jurisdiction where it has material operations, each of which is listed below:
 - a. New York (SOI)
 - b. Arizona (PPB)
 - c. Texas
5. A certificate of the Secretary of Originator certifying: (i) the names and signatures of the officers authorized on its behalf to execute the RSA Amendment and any other documents to be delivered by it thereunder and (ii) a copy of Originator's By-Laws.
6. A certified copy of search results showing all UCC filings filed with the Secretary of State of the State of New York as of July 21, 2010 naming the Originator as debtor.
7. A favorable opinion of legal counsel for Originator reasonably acceptable to the Agent and the Purchasers (as Seller's assigns) which addresses the following matters and such other matters as the Agent or the Purchasers (as Seller's assigns) may reasonably request:
 - In the event of the bankruptcy of Originator:
 - (a) section 362(a) of title 11 of the United States Code would not apply to stay payment to the Seller of the amounts collected on the Receivables and proceeds of sale thereof;
 - (b) the Receivables and proceeds of sale or collections thereof would not constitute property of Originator's bankruptcy estate under section 541(a)(1) or (a)(6) of title 11 of the United States Code; and
 - (c) in a case under title 11 of the United States Code, a creditor or the trustee in bankruptcy of Originator would not have valid legal grounds to have a court disregard the separate legal existence and corporate form of the Seller so as to

cause a substantive consolidation of the assets and liabilities of Originator and Seller.

- Originator is a corporation duly incorporated, validly existing, and in good standing under the laws of its state of incorporation.
- Originator has all requisite authority to conduct its business in each jurisdiction where failure to be so qualified would have a material adverse effect on Originator's business.
- Originator has all requisite power and authority to execute, deliver and perform all of its obligations under the RSA Amendment, the Receivables Sale Agreement and each other Transaction Document to which it is a party.
- The execution and delivery by Originator of the RSA Amendment, the Receivables Sale Agreement and each other Transaction Document to which it is a party and its performance of its obligations thereunder have been duly authorized by all necessary corporate action and proceedings on the part of Originator and will not:
 - (a) require any action by or in respect of, or filing with, any governmental body, agency or official (other than the filing of UCC financing statements);
 - (b) contravene, or constitute a default under, any provision of applicable law or regulation or of its articles or certificate of incorporation or bylaws or of any agreement, judgment, injunction, order, decree or other instrument binding upon Originator; or
 - (c) result in the creation Subsidiaries (except as contemplated by the Receivables Sale Agreement) or imposition of any Adverse Claim on assets of Originator or any of its Subsidiaries.
- The RSA Amendment, the Receivables Sale Agreement and each other Transaction Document to which it is a party has been duly executed and delivered by Originator and constitutes the legal, valid, and binding obligation of Originator enforceable in accordance with its terms, except to the extent the enforcement thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and subject also to the availability of equitable remedies if equitable remedies are sought.
- The provisions of the RSA Amendment and the Receivables Sale Agreement are sufficient to constitute authorization by Originator for the filing of the financing statements required under the Receivables Sale Agreement.
- For the purposes of the New York UCC, Originator is a "registered organization".
- The provisions of the RSA Amendment and the Receivables Sale Agreement continue to create a valid security interest in favor of Seller in all Receivables, and Seller continues to have a first priority, perfected security interest in such Receivables.
- To the best of the opinion giver's knowledge, there is no action, suit or other proceeding against Originator or any Affiliate of Originator, which would materially adversely affect the business or financial condition of Originator and its Affiliates taken as a whole or which would materially adversely affect the ability of Originator to perform its obligations under the Receivables Sale Agreement.

8. A Compliance Certificate of the Originator.

9. Executed copies of (i) all consents from and authorizations by any Persons and (ii) all waivers and amendments to existing credit facilities, that are necessary in connection with the RSA Amendment and the Receivables Sale Agreement.

PART II: Documents to Be Delivered in Connection with this Agreement

1. Executed copies of this Agreement, duly executed by the parties hereto.
2. Copy of the Resolutions of the Board of Directors of each Seller Party (to the extent such resolutions are deemed required for the Servicer by counsel), certified by its Secretary and authorizing such Person's execution, delivery and performance of this Agreement, the RSA Amendment and the other documents to be delivered by it hereunder.
3. Articles or Certificate of Incorporation of each Seller Party and certified by the Secretary of State of its jurisdiction of incorporation on or within thirty (30) days prior to the date hereof or a certificate of the Secretary of each Seller Party certifying that the Articles or Certificate of Incorporation of such Seller Party have not been amended, restated, supplemented or otherwise modified since the delivery thereof under the closing related to the Original Agreement.
4. Good Standing Certificate for each Seller Party issued by the Secretaries of State of its state of incorporation and each jurisdiction where it has material operations, each of which is listed below:
 - a. Seller: Delaware (SOI)
 - b. Seller: Arizona (PPB)
 - c. Servicer: New York (SOI)
 - d. Servicer: Arizona (PPB)
 - e. Servicer: Texas
5. A certificate of the Secretary of each Seller Party certifying (i) the names and signatures of the officers authorized on its behalf to execute this Agreement, the RSA Amendment and any other documents to be delivered by it hereunder and (ii) a copy of such Person's By-Laws.
6. A certified copy of search results showing all UCC filings filed with the Secretary of State of the State of Delaware as of July 15, 2010 naming the Seller as debtor.
7. A favorable opinion of legal counsel for the Seller Parties reasonably acceptable to the Agent which addresses the following matters and such other matters as the Agent may reasonably request:
 - Each Seller Party is a corporation duly incorporated, validly existing, and in good standing under the laws of its state of incorporation.
 - Each Seller Party has all requisite authority to conduct its business in each jurisdiction where failure to be so qualified would have a material adverse effect on such Person's business.
 - Each Seller Party has all requisite power and authority to execute, deliver and perform all of its obligations under this Agreement and each other Transaction Document to which it is a party.
 - The execution and delivery by each Seller Party of this Agreement and each other Transaction Document to which it is a party and its performance of its obligations thereunder have been duly authorized by all necessary corporate action and proceedings on the part of such Person and will not:

- (a) require any action by or in respect of, or filing with, any governmental body, agency or official (other than the filing of UCC financing statements);
 - (b) contravene, or constitute a default under, any provision of applicable law or regulation or of its articles or certificate of incorporation or bylaws or of any agreement, judgment, injunction, order, decree or other instrument binding upon such Person; or
 - (c) result in the creation or imposition of any Adverse Claim on assets of such Person or any of its Subsidiaries (except as contemplated by this Agreement).
- The provisions of this Agreement are sufficient to constitute authorization by Seller for the filing of the financing statement required under this Agreement.
 - For the purposes of the Delaware UCC, Seller is a “registered organization.”
 - This Agreement and each other Transaction Document to which such Person is a party has been duly executed and delivered by such Person and constitutes the legal, valid, and binding obligation of such Person, enforceable in accordance with its terms, except to the extent the enforcement thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights generally and subject also to the availability of equitable remedies if equitable remedies are sought.
 - The provisions of this Agreement are effective to create a valid security interest in favor of the Agent for the benefit of the Purchasers in all Receivables, and upon the filing of financing statements, the Agent for the benefit of the Purchasers shall acquire a first priority, perfected security interest in such Receivables.
 - To the best of the opinion giver’s knowledge, there is no action, suit or other proceeding against any Seller Party or any of their respective Affiliates, which would materially adversely affect the business or financial condition of such Person and its Affiliates taken as a whole or which would materially adversely affect the ability of such Person to perform its obligations under any Transaction Document to which it is a party.
8. If requested by the Company in such Financial Institution’s Purchaser Group or the Agent, a favorable opinion of legal counsel for each Financial Institution, reasonably acceptable to such Company and the Agent which addresses the following matters:
- This Agreement has been duly authorized by all necessary corporate action of such Financial Institution.
 - This Agreement has been duly executed and delivered by such Financial Institution and, assuming due authorization, execution and delivery by each of the other parties thereto, constitutes a legal, valid and binding obligation of such Financial Institution, enforceable against such Financial Institution in accordance with its terms.
9. Compliance Certificates of the Seller and the Servicer.
10. The Fee Letters.
11. The Monthly Report for July, 2010.
12. Executed copies of (i) all consents from and authorizations by any Persons and (ii) all waivers and amendments to existing credit facilities, that are necessary in connection with this Agreement.

13. Each Company shall have received a duly executed copy of its Funding Agreement or amendment thereto, as applicable, in form and substance satisfactory to such Company.
14. For each Purchaser that is not incorporated under the laws of the United States of America, or a state thereof, two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, certifying in either case that such Purchaser is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes.

SCHEDULE C

COMPUTATION OF CP COSTS

With respect to the Purchaser Interest of the Companies on any day, the CP Costs on such day shall equal the sum of Company Costs for each Company as of such day, where “Company Costs” has the meaning specified below.

“Company Costs” means, with respect to Purchaser Interests of the Companies,:

- a. For any Purchaser Interest purchased by the Bank One Company, for any day, an amount equal to (i) the product of (A) the Daily/90 Day LIBOR Rate in respect of such day, and (B) the aggregate Capital associated with each Purchaser Interest that shall have been funded by the Bank One Company with the issuance of Commercial Paper, divided by (ii) 360. “Daily/90 Day LIBOR Rate” shall mean, for any day, a rate per annum equal to the ninety (90) day London-Interbank Offered Rate appearing on the Bloomberg BBAM (British Bankers Association) Page (or on any successor or substitute page of such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Agent from time to time in accordance with its customary practices for purposes of providing quotations of interest rates applicable to U.S. Dollar deposits in the London interbank market) at approximately 11:00 a.m. (London time) on such day or, if such day is not a Business Day in London, the immediately preceding Business Day in London; provided, however, that if the Daily/90 Day LIBOR Rate as determined herein would be less than zero percent (0.00%) on any day, for purposes of this Agreement, such rate shall be deemed to be zero percent (0.00%) for such day. In the event that such rate is not available on any day at such time for any reason, then the “Daily/90 Day LIBOR Rate” for such day shall be the rate at which ninety (90) day U.S. Dollar deposits of \$5,000,000 are offered by the principal London office of the Agent in immediately available funds in the London interbank market at approximately 11:00 a.m. (London time) on such day; and if the Agent is for any reason unable to determine the Daily/90 Day LIBOR Rate in the foregoing manner or has determined in good faith that the Daily/90 Day LIBOR Rate determined in such manner does not accurately reflect the cost of acquiring, funding or maintaining a Purchaser Interest, the Daily/90 Day LIBOR Rate for such day shall be the Alternative Base Rate.
 - b. For any Purchaser Interest purchased by the Scotia Company, for any day, the per annum rate equivalent to the “weighted average cost” (as defined below) related to the issuance of Commercial Paper that is allocated, in whole or in part, to fund the Capital of such Purchaser Interest (and which may also be allocated in part to the funding of other assets of the Scotia Company); provided, however, that if any component of such rate is a discount rate in calculating the Company Costs for the Capital of such Purchaser Interest for such date, the rate used to calculate such component of such rate shall be a rate resulting from converting such discount rate to an interest bearing equivalent rate per annum. For the purposes of this paragraph (b), the “weighted average cost” shall consist of (x) the actual interest rate paid to purchasers of Commercial Paper issued by the Scotia Company, (y) the costs associated with the issuance of such Commercial Paper (including dealer fees and commissions to placement agents), and (z) interest on other borrowing or funding sources by the Scotia Company, including to fund small or odd dollar amounts that are not easily accommodated in the commercial paper market. For each Settlement Period, the Scotia Company shall calculate its aggregate Company Costs for such Settlement Period and report such Company Costs to the Agent pursuant to Section 3.3 of this Agreement.
 - c. For any Purchaser Interest purchased by the SMBC Company, for any day, the sum of (i) discount or yield accrued on Pooled Commercial Paper (as defined below) on such day, plus (ii) any and all accrued commissions in respect of placement agents and Commercial Paper dealers, and issuing and paying agent fees incurred, in respect of such Pooled Commercial Paper for such day, plus (iii) other costs associated with funding small or odd-lot amounts with respect to all receivable
-

purchase facilities which are funded by Pooled Commercial Paper for such day, minus (iv) any accrual of income net of expenses received on such day from investment of collections received under all receivable purchase facilities funded substantially with Pooled Commercial Paper, minus (v) any payment received on such day net of expenses in respect of broken funding costs related to the prepayment of any purchaser interest of the SMBC Company pursuant to the terms of any receivable purchase facilities funded substantially with Pooled Commercial Paper. In addition to the foregoing costs, if Seller shall request any Incremental Purchase during any period of time determined by the SMBC Company (or by the SMBC Company's agent on its behalf) in its sole discretion to result in incrementally higher Company Costs with respect to the SMBC Company applicable to such Incremental Purchase by the SMBC Company, the Capital associated with any such Incremental Purchase shall, during such period, be deemed to be funded by the SMBC Company in a special pool (which may include capital associated with other receivable purchase facilities) for purposes of determining such additional Company Costs applicable only to such special pool and charged each day during such period against such Capital. Each Purchaser Interest funded substantially with Pooled Commercial Paper will accrue Company Costs with respect to the SMBC Company each day on a pro rata basis, based upon the percentage share the Capital in respect of such Purchaser Interest represents in relation to all assets held by the SMBC Company and funded substantially with Pooled Commercial Paper. For the purposes of this paragraph (d), "Pooled Commercial Paper" means Commercial Paper notes of the SMBC Company subject to any particular pooling arrangement by the SMBC Company, but excluding Commercial Paper issued by the SMBC Company for a tenor and in an amount specifically requested by any Person in connection with any agreement effected by the SMBC Company. For each Settlement Period, the SMBC Company shall calculate its aggregate Company Costs for such Settlement Period and report such Company Costs to the Agent pursuant to Section 3.3 of this Agreement.

- d. For any Purchaser Interest purchased by the BTMU Company, for any day, the sum of (i) discount or yield accrued on Pooled Commercial Paper (as defined below) on such day, plus (ii) any and all accrued commissions in respect of placement agents and Commercial Paper dealers, and issuing and paying agent fees incurred, in respect of such Pooled Commercial Paper for such day, plus (iii) other costs associated with funding small or odd-lot amounts with respect to all receivable purchase facilities which are funded by Pooled Commercial Paper for such day, minus (iv) any accrual of income net of expenses received on such day from investment of collections received under all receivable purchase facilities funded substantially with Pooled Commercial Paper, minus (v) any payment received on such day net of expenses in respect of broken funding costs related to the prepayment of any purchaser interest of the BTMU Company pursuant to the terms of any receivable purchase facilities funded substantially with Pooled Commercial Paper. In addition to the foregoing costs, if Seller shall request any Incremental Purchase during any period of time determined by the BTMU Company (or by the BTMU Company's agent on its behalf) in its sole discretion to result in incrementally higher Company Costs with respect to the BTMU Company applicable to such Incremental Purchase by the BTMU Company, the Capital associated with any such Incremental Purchase shall, during such period, be deemed to be funded by the BTMU Company in a special pool (which may include capital associated with other receivable purchase facilities) for purposes of determining such additional Company Costs applicable only to such special pool and charged each day during such period against such Capital. Each Purchaser Interest funded substantially with Pooled Commercial Paper will accrue Company Costs with respect to the BTMU Company each day on a pro rata basis, based upon the percentage share the Capital in respect of such Purchaser Interest represents in relation to all assets held by the BTMU Company and funded substantially with Pooled Commercial Paper. For the purposes of this paragraph (e), "Pooled Commercial Paper" means Commercial Paper notes of the BTMU Company subject to any particular pooling arrangement by the BTMU Company, but excluding Commercial Paper issued by the BTMU Company for a tenor and in an amount specifically requested by any Person in connection with any agreement effected by the BTMU Company. For each Settlement Period, the BTMU Company shall calculate its aggregate Company Costs for such Settlement Period and report such Company Costs to the Agent pursuant to Section 3.3 of this Agreement.
-

- e. For any Purchaser Interest purchased by the WFB Company for any day, an amount equal to (i) the product of (A) the Daily/30 Day LIBOR Rate in respect of such day, and (B) the aggregate Capital associated with each Purchaser Interest that shall have been funded by the WFB Company, as applicable, divided by (ii) 360. “Daily/30 Day LIBOR Rate” shall mean, for any day, a rate per annum equal to the one-month Eurodollar rate for U.S. dollar deposits as reported on the Reuters Screen LIBOR01 Page or any other page that may replace such page from time to time for the purpose of displaying offered rates of leading banks for London interbank deposits in United States dollars, as of 11:00 a.m. (London time) on such day, or if such day is not a Business Day, then the immediately preceding Business Day (or if not so reported, then as determined by WFB, as applicable, from another recognized source for interbank quotation), in each case, changing when and as such rate changes; provided, however, that if the Daily/30 Day LIBOR Rate as determined herein would be less than zero percent (0.00%) on any day, for purposes of this Agreement, such rate shall be deemed to be zero percent (0.00%) for such day.
- f. For any Purchaser Interest purchased by the BB&T Company, for any day, an amount equal to (i) the product of (A) Daily/30 Day LIBOR Rate in respect of such day, and (B) the aggregate Capital associated with each Purchaser Interest that shall have been funded by the BB&T Company, divided by (ii) 360. “Daily/30 Day LIBOR Rate” shall mean, for any day, a rate per annum equal to the one-month Eurodollar rate for U.S. dollar deposits as reported on the display designated as Reuters Screen LIBOR01 Page (or such other successor page as may replace Reuters Screen LIBOR01 Page or such other service or services as may be nominated by ICE Benchmark Administration Limited for the purpose of displaying London interbank offered rates for U.S. dollar deposits), as of 11:00 a.m. (London time) on such day, or if such day is not a Business Day in London, then the immediately preceding Business Day in London (or if not so reported, then as determined by BB&T from another recognized source for interbank quotation), in each case, changing when and as such rate changes; provided, however, that if the Daily/30 Day LIBOR Rate as determined herein would be less than zero percent (0.00%) on any day, for purposes of this Agreement, such rate shall be deemed to be zero percent (0.00%) for such day. If BB&T is for any reason unable to determine the Daily/30 Day LIBOR Rate in the foregoing manner or has determined in good faith that the Daily/30 Day LIBOR Rate determined in such manner does not accurately reflect the cost of acquiring, funding or maintaining a Purchaser Interest, the Daily/30 Day LIBOR Rate for such day shall be the Alternate Base Rate.
- g. For any Purchaser Interest purchased by the PNC Company, for any day, an amount equal to (i) the product of (A) the Daily/90 Day LIBOR Rate in respect of such day, and (B) the aggregate Capital associated with each Purchaser Interest that shall have been funded by the PNC Company with the issuance of Commercial Paper, divided by (ii) 360. “Daily/90 Day LIBOR Rate” shall mean, for any day, a rate per annum equal to the ninety (90) day London-Interbank Offered Rate appearing on the Bloomberg BBAM (British Bankers Association) Page (or on any successor or substitute page of such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Agent from time to time in accordance with its customary practices for purposes of providing quotations of interest rates applicable to U.S. Dollar deposits in the London interbank market) at approximately 11:00 a.m. (London time) on such day or, if such day is not a Business Day in London, the immediately preceding Business Day in London; provided, however, that if the Daily/90 Day LIBOR Rate as determined herein would be less than zero percent (0.00%) on any day, for purposes of this Agreement, such rate shall be deemed to be zero percent (0.00%) for such day. In the event that such rate is not available on any day at such time for any reason, then the “Daily/90 Day LIBOR Rate” for such day shall be the rate at which ninety (90) day U.S. Dollar deposits of \$5,000,000 are offered by the principal London office of the Agent in immediately available funds in the London interbank market at approximately 11:00 a.m. (London time) on such day; and if the Agent is for any reason unable to determine the Daily/90 Day LIBOR Rate in the foregoing manner or has determined in good faith that the Daily/90 Day LIBOR Rate determined in such manner does not accurately reflect the cost of acquiring, funding or maintaining a Purchaser Interest, the Daily/90 Day LIBOR Rate for such day shall be the Alternative Base Rate.
-

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, William J. Amelio, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avnet, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as such term is defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 27, 2017

/s/ WILLIAM J. AMELIO

William J. Amelio

Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Kevin Moriarty, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avnet, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as such term is defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 27, 2017

/s/ KEVIN MORIARTY

Kevin Moriarty

Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

In connection with the Quarterly Report on Form 10-Q for the period ended December 31, 2016 (the "Report"), I, William J. Amelio, Chief Executive Officer of Avnet, Inc., (the "Company") hereby certify that:

- 1.The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- 2.The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 27, 2017

/s/ WILLIAM J. AMELIO

William J. Amelio

Chief Executive Officer

**Certification Pursuant to 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

In connection with the Quarterly Report on Form 10-Q for the period ended December 31, 2016 (the “Report”), I, Kevin Moriarty, Chief Financial Officer of Avnet, Inc., (the “Company”) hereby certify that:

- 1.The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- 2.The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 27, 2017

/s/ KEVIN MORIARTY

Kevin Moriarty

Chief Financial Officer
