

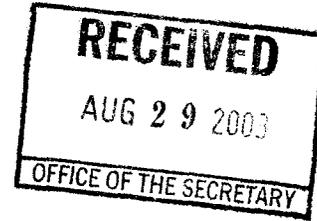


SR-0358-2002-33

#63

ARROW ELECTRONICS, INC.  
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MELVILLE, NY 11747  
631/847/5760

PETER S. BROWN  
SENIOR VICE PRESIDENT AND  
GENERAL COUNSEL



August 28, 2003

Ms. Janice O'Neill  
Vice President of Corporate Compliance  
New York Stock Exchange  
20 Broad Street  
16<sup>th</sup> Floor  
New York, **NY** 10005

Re: NYSE's Corporate Governance Rule Proposals - interim CEO exemption under proposed Rule 303(A)(2)(b)(i)

Dear Ms. O'Neill:

On behalf of Arrow Electronics, Inc., a listed New York Stock Exchange company, I am submitting this letter in support of the exemption of services performed by a Director as interim chief executive officer of a public company from consideration of independence under the Corporate Governance Rule Proposals of the New York Stock Exchange. The current exemption is set forth in the commentary to proposed Rule 303A(2)(b)(i) and provides that "[c]ompensation received by a director for former service as an interim Chairman or CEO does not need to be considered as a factor by a board in determining independence".

We very much appreciate all of the guidance you have provided in your conversations with our counsel, Milbank, Tweed, Hadley & McCloy, concerning this interim CEO exemption provision, initially that the exemption would be applicable to the arrangements we put in place for one of our Directors to serve as temporary CEO last year, and most recently that you expected that this exemption provision would be included in the final Corporate Governance Rules adopted by the NYSE and that you had not received any comment letter, or had any discussions, opposing or disagreeing with this interim CEO exemption provision.

We recognize that the Securities and Exchange Commission is in the process of formally approving the Corporate Governance Rule Proposals, and also understand that a similar exemption is not contained in the proposed corporate governance rules of NASDAQ. Therefore, we thought it appropriate to also express our strong support for including the temporary CEO exemption provision in the final rules to the extent that the SEC seeks to

develop a common standard among the stock exchanges for determining the independence of Directors.

The principal objective of the Corporate Governance Rule Proposals is to assure that a public listed company has a majority of the members of the Board of Directors that are both truly independent and fully knowledgeable about the businesses conducted by the company, its financial condition, and the significant risks related to its operations. In the event of the death, disability or unplanned-for departure of a CEO, perhaps the person most capable of taking over that position, until a thoughtful and deliberative process of replacing the CEO could be completed, would be an independent Director. Absent the interim CEO exemption provision, the loss of status of "independent" Director would be a significant disincentive and an unfair penalty to the Director and to the company. This is especially so, in light of the proposed rules that extend the period of time that an independent Director may not have received from the company annual compensation (other than as a Director) in excess of \$100,000 from three to five years, require the independence of members to serve on certain important committees of the Board, and impose disclosure requirements in public filings concerning the independence of the Board of Directors and individual members of the Board.

Finally, as you know, we, and we understand a number of other listed companies, have relied on the interim CEO exemption with the expectation that an otherwise independent Director could serve as interim CEO and retain his or her status as an independent Director. We believe that the interim CEO exemption is fair and consistent with the spirit and intentions of the new corporate governance guidelines, and the deletion of the exemption would be unfair and inappropriate.

We appreciate your consideration of this letter.

Sincerely,

  
Peter S. Brown  
Senior Vice President and  
General Counsel

Cc: Jonathan G. Katz, Secretary  
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