Arrow Denmark ApS

Marielundvej 29, 2730 Herlev

CVR no. 10 61 52 91

Annual report 2016

Approved at the annual general meeting of shareholders on

Chairman:

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Arrow Denmark ApS for the financial year 1 January - 31 December 2016.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Herlev, 31 May 2017
Executive Board:

Erik Hansen

Board of Directors:

Christopher David Stansbury Chairman	Anna Charlotta Holmqvist	Gregory Paul Tarpinian

Erik Hansen

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Herlev, 31 May 2017
Executive Board:

Erik Hansen

Board of Directors:

Christopher David Stansbury Chairman	Anna Charlotta Holmqvist	Gregory Paul Tarpinian

Erik Hansen

Independent auditor's report

To the shareholder of Arrow Denmark ApS

Opinion

We have audited the financial statements of Arrow Denmark ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 31 May 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Steen Skorstengaard State Authorised Public Accountant	Keld A. M. Nielsen State Authorised Public Accountant

Management's review

Company details

Name	Arrow Denmark ApS
Address, Postal code, City	Marielundvej 29, 2730 Herlev
CVR no.	10 61 52 91
Established	1 January 1987
Registered office	Herlev
Financial year	1 January - 31 December
Website	www.arrow.com
Board of Directors	Christopher David Stansbury, Chairman Anna Charlotta Holmqvist Gregory Paul Tarpinian Erik Hansen
Executive Board	Erik Hansen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark
Bankers	Danske Bank A/S Bank Mendes Gans N.V.

Management's review

Financial highlights

DKK'000	2016	2015	2014	2013	2012
Key figures					
Revenue	592,743	547,672	454,788	544,745	547,661
Operating profit/loss	21,878	15,332	14,323	6,653	12,416
Net financials	-995	-702	-204	408	-187
Profit/loss for the year	**16,285**	**11,052**	**10,547**	**5,185**	**9,071**
Total assets	175,377	150,392	335,004	320,503	358,297
Equity	**126,415**	**110,130**	**279,078**	**268,531**	**263,346**
Financial ratios					
Operating margin	3.7%	2.8%	3.1%	1.2 %	2.3 %
Return on assets	13.4%	6.3%	4.4%	2.0%	3.5%
Solvency ratio	72.1%	73.2%	83.3%	83.8%	73.5%
Return on equity	13.8%	5.7%	3.9%	1.9%	3.5%
Average number of employees	**53**	**55**	**46**	**54**	**57**

Management's review

Management commentary

Business review

Arrow Denmark ApS' primary activities are import and wholesale of high-tech electronic components for the professional electronics and PC industry. The Company also sells systems solutions and electric motors and provides technical support. The Company remains among the leading suppliers to the industrial market.

Financial review

In 2016, the Company's revenue amounted to DKK 592,743 thousand against DKK 547,672 thousand last year. The income statement for 2016 shows a profit of DKK 16,285 thousand against DKK 11,052 thousand last year, and the balance sheet at 31 December 2016 shows equity of DKK 126,415 thousand.

Non-financial matters

The Company's key operational risk is related to its ability to sustain a strong market position. Also, it is crucial that the Company keeps abreast of technological developments and maintains its price competitiveness.

Special risks

Financial risks

Due to its robust equity ratio and strong financial resources, the Company is only moderately exposed to interest rate fluctuations. The Company is, however, exposed to exchange rate risks in relation to day-to-day operations.

Credit risks

Under the Company's credit risk policy, all major customers and other business relations are credit-rated on a current basis. In addition, the Company takes out credit insurance through Euler Hermes.

Statutory CSR report

The Company has not drawn up any CSR policy, including no policies for the Company's impact on the environment and human rights.

Account of the gender composition of Management

The Board set a target in 2014 for the underrepresented sex on the Board at 25 % equalising 1 out of 4 members. The goal was to achieve this by 2017 and was achieved during this year. The Board now has one female member.

At other management levels in the organisation, female managers represent 44% and male managers represent 56% and hence the gender split is viewed as equal. An equal gender split is expected to be retained in the future.

Under the Companies Act § 139a, the Board of Arrow Denmark ApS has created this policy to increase/retain the share of the under-represented sex at other Arrow Denmark ApS management levels. By other levels of management is meant management positions that do not relate to the Board, ie. directors, deputy directors, department heads and team leaders.

The overall goal of Arrow Denmark ApS is to ensure that the composition of men and women in management reflects the gender balance of the employees.

The Company has set the following concrete targets:

- All employees, regardless of gender, must feel that they have the same opportunity to hold leadership positions.
- The management of Arrow Europe consists of 7 people. Of these, 2 women (28%) and 5 men (71%). A gender balance is expected to be regained in the future.

Arrow Denmark ApS always employs/appoints the most suitable candidate regardless of gender. The aim is always to consider candidates of both sex in recruitment and promotion processes.

Management's review

Management commentary

The Board reviews this policy annually to make adjustments as necessary.

Events after the balance sheet date

No significant events have occurred subsequent to the financial year-end.

Outlook

Management expects the Company's performance to develop in line with the market in 2017.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2016	2015
2	**Revenue**	592,743	547,672
	Cost of sales	-492,202	-454,596
	Other operating income	92	199
	Other external expenses	-44,233	-46,344
	Gross margin	56,400	46,931
3	Staff costs	-33,271	-30,083
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,251	-1,455
	Other operating expenses	0	-61
	Profit before net financials	21,878	15,332
4	Financial income	77	116
5	Financial expenses	-1,072	-818
	Profit before tax	20,883	14,630
6	Tax for the year	-4,598	-3,578
	Profit for the year	16,285	11,052

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2016	2015
	ASSETS		
	Fixed assets		
7	**Property, plant and equipment**		
	Land and buildings	4,241	4,494
	Fixtures and fittings, other plant and equipment	1,601	2,333
	Leasehold improvements	203	229
		6,045	7,056
8	**Investments**		
	Investments in group enterprises	0	1,030
		0	1,030
	Total fixed assets	6,045	8,086
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	2,905	3,373
		2,905	3,373
	Receivables		
	Trade receivables	130,799	125,083
	Receivables from group enterprises	8,756	2,808
10	Deferred tax assets	309	351
	Other receivables	7,052	5,757
9	Prepayments	3,566	1,275
		150,482	135,274
	Cash	15,945	3,659
	Total non-fixed assets	169,332	142,306
	TOTAL ASSETS	175,377	150,392
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	10,902	10,902
	Retained earnings	115,513	99,228
	Total equity	126,415	110,130
	Liabilities		
	Current liabilities		
	Trade payables	1,911	2,857
	Payables to group enterprises	37,223	28,181
	Corporation tax payable	2,580	801
	Other payables	7,248	8,423
		48,962	40,262
	Total liabilities other than provisions	48,962	40,262
	TOTAL EQUITY AND LIABILITIES	175,377	150,392

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Financial statements for the period 1 January - 31 December

Statement of changes in equity

	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2016	10,902	99,228	110,130
15	Transfer, see "Appropriation of profit"	0	16,285	16,285
	Equity at 31 December 2016	10,902	115,513	126,415

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Arrow Denmark ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements of Arrow Denmark ApS and its group entities are part of the consolidated financial statements of Arrow Electronics Inc.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, additions of assets and share conversions, etc. where the combined entities are controlled by the parent company, implying that the combination is considered complete at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in equity.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of non-current assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	50 years
Fixtures and fittings, other plant and equipment	3-15 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other subsidiaries. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to guarantee commitments, losses on work in progress, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Other payables

Other payables are measured at net realisable value.

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$

	DKK'000	2016	2015
2	**Segment information**		
	Denmark	292,623	414,663
	Other EU countries	219,554	25,890
	Countries outside EU	80,566	107,119
		592,743	547,672
3	**Staff costs**		
	Wages/salaries	32,451	29,434
	Pensions	1,777	1,725
	Other social security costs	-1,776	-1,852
	Other staff costs	819	776
		33,271	30,083
	Average number of full-time employees	53	55

In pursuance of section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK'000	2016	2015
4	**Financial income**		
	Interest receivable, group entities	77	116
		77	116
5	**Financial expenses**		
	Interest expenses, group entities	244	553
	Other financial expenses	828	265
		1,072	818
6	**Tax for the year**		
	Estimated tax charge for the year	4,556	3,528
	Deferred tax adjustments in the year	42	50
		4,598	3,578

The estimated tax charge for the year includes tax refunds paid, totalling DKK 4,556 thousand, between jointly taxed entities.

7 **Property, plant and equipment**

DKK'000	Land and buildings	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2016	10,656	9,855	237	20,748
Additions	0	256	0	256
Disposals	0	-1,294	0	-1,294
Cost at 31 December 2016	10,656	8,817	237	19,710
Impairment losses and depreciation at 1 January 2016	6,162	7,522	8	13,692
Depreciation	253	845	26	1,124
Reversal of accumulated depreciation and impairment of assets disposed	0	-1,151	0	-1,151
Impairment losses and depreciation at 31 December 2016	6,415	7,216	34	13,665
Carrying amount at 31 December 2016	4,241	1,601	203	6,045

Financial statements for the period 1 January - 31 December

Notes to the financial statements

8 **Investments**

DKK'000	Investments in group enterprises
Cost at 1 January 2016	1,030
Disposals	-1,030
Cost at 31 December 2016	0
Value adjustments at 31 December 2016	0
Carrying amount at 31 December 2016	0

9 **Prepayments**

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies and other prepayments.

DKK'000	2016	2015
10 Deferred tax		
Deferred tax at 1 January	-351	-401
Deferred tax adjustment in the year, income statement	42	50
Deferred tax at 31 December	-309	-351
Deferred tax relates to:		
Property, plant and equipment	-160	-55
Provisions	-149	-296
	-309	-351

11 **Contractual obligations and contingencies, etc.**

Other contingent liabilities

The Company is jointly taxed with Arrow Electronics Danish Holdings ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2016	2015
Rent and lease liabilities	5,295	8,643

Rent and lease liabilities include rent obligations totalling DKK 4,583 thousand relating to non-cancellable rent agreements and other contracts concerning maintenance of leases as well as liabilities under operating leases concerning cars and IT equipment totalling DKK 712 thousand.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

12 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2016.

13 Related parties

Arrow Denmark ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Arrow Electronics Norwegian Holdings AS	Stokkastrandvegen 87A, 5588 Nedre Vats, 1160 Vindafjord, Norway	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Arrow Electronics Inc.	Denver, Colorado, USA	http://investor.arrow.com/phoenix.zhtml?c=85834&p=irol-sec&control_selectgroup=Annual%20Filings
Arrow Electronics EMAESA S.r.l	Milan, Italy	Viale Fulvio Testi, 280, Milan, 20126, Italy

Related party transactions

Arrow Denmark ApS was engaged in the below related party transactions:

DKK'000	2016	2015
Inter-Company Revenue	851	861
Inter-Company Cost Of Sales	22,739	19,613
Cost recharge in	14,383	16,988
Cost recharge out	13,947	12,495
Intercompany receivables	2,344	3,101
Intercompany payables	37,224	25,691

14 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act.

	DKK'000	2016	2015
15	**Appropriation of profit**		
	Recommended appropriation of profit		
	Retained earnings	16,285	11,052
		16,285	11,052

965