Heléns Rør A/S

Koesmosevej 48-58, Kauslunde
5500 Middelfart
Denmark

CVR no. 89 63 79 10

Annual report 2017

The annual report was presented and approved at the Company's annual general meeting on

16 March 2018

Eva Christina Täljegård
chairman

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Heléns Rør A/S for the financial year 1 January – 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

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

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

Middelfart, 16 March 2018
Executive Board:

Per Jesper Essunger

Board of Directors:

Eva Christina Täljegård Chairman	Joakim Lindvall	Per Jesper Essunger

Independent auditor's report

To the shareholders of Heléns Rør A/S

Opinion

We have audited the financial statements of Heléns Rør A/S for the financial year 1 January – 31 December 2017 comprising 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 Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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 responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these 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 scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the company 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.

KPMG

Independent auditor's report

- 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.
- 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 conclusions are 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 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 the 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 the work we have performed, 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.

Kolding, 16 March 2018
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised
Public Accountant
MNE no. 33220

Michael E. K. Rasmussen
State Authorised
Public Accountant
MNE no. 41364

Management's review

Company details

Heléns Rør A/S
Koesmosevej 48-58, Kauslunde
5500 Middelfart
Denmark

Telephone:	+45 64 40 39 40
E-mail:	helens@helens.dk
CVR no.:	89 63 79 10
Established:	1 October 1980
Registered office:	Middelfart
Financial year:	1 January – 31 December

Board of Directors

Eva Christina Täljegård, Chairman
Joakim Lindvall
Per Jesper Essunger

Executive Board

Per Jesper Essunger

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Jupitervej 4
DK-6000 Kolding
Denmark

Annual general meeting

The annual general meeting will be held on 16 March 2018.

Management's review

Financial highlights

DKK'000	2017	2016	2015	2014	2013
Key figures					
Gross profit	25,579	22,070	16,478	24,217	14,251
Operating profit/loss	3,130	1,223	-4,012	2,056	-2,894
Profit/loss from financial income and expenses	-305	-77	-108	-302	-328
Profit/loss for the year	2,199	907	-3,228	1,391	-2,560
Fixed assets	8,762	15,050	14,166	5,741	6,570
Current assets	56,211	44,015	43,000	50,318	51,398
Total assets	64,973	59,065	57,166	56,059	57,968
Equity	17,315	15,116	14,209	17,437	16,045
Investment in property, plant and equipment	2,088	1,795	9,871	1,744	221
Ratios					
Return on invested capital	5.0%	2.1%	-7.1%	3.6%	-6.2%
Return on equity	13.6%	6.2%	-20.4%	8.3%	-14.8%
Solvency ratio	26.7%	25.8%	24.9%	31.1%	27.7%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Ratios". The financial ratios have been calculated as follows:

Return on invested capital	Operating profit/loss x 100 / Average invested capital
Return on equity	Profit/loss from ordinary activities after tax x 100 / Average equity
Solvency ratio	Equity ex. non-controlling interests at year end x 100 / Total equity and liabilities at year end

Management's review

Operating review

Principal activities

In line with previous years, the principal activities consisted of sale and processing of steel tubes.

The products are primarily sold in Denmark.

Development in activities and financial position

Results are satisfactory and in line with the expectations.

The activities during the year follow the strategic direction.

Events after the balance sheet date

No events have occurred affecting the Company´s financial position at 31 December 2017.

Outlook

Development in 2018 is expected to be stable based on the existing strategy.

Fluctuations in price level as well as sales volume are important factors to consider when evaluating the the Company's development from a risk perspective.

Particular risks

Financial risks

As a result of its solvency and capital resources, the Company is, only to a limited extent, exposed to changes in the interest rate level. However, the Company is exposed to foreign exchange risks with regard to its day-to-day operations.

Currency risks

The Company's invoicing is made in EUR and DKK. Most purchases are made in EUR. As purchases and sales, to a wide extent, are settled in the same currencies, Management is of the opinion that the Company is not subject to any substantial currency exposure.

Credit risks

No customer or business relations pose any significant risk to the Company.

Environmental matters

The Company's production primarily comprises the processing and assembly of components from sub-suppliers, and Management is therefore of the opinion that the Company's impact on the external environment is limited. In general, it is the Company's policy to reduce the impact to a level which is financially fair and reasonable.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2017	2016
Gross profit		25,579	22,070
Distribution costs	2	-12,364	-10,841
Administrative expenses	2	-10,085	-10,006
Operating profit		3,130	1,223
Financial income		0	184
Financial expenses	3	-305	-261
Profit before tax		2,825	1,146
Tax on profit for the year	4	-626	-239
Profit for the year	5	2,199	907

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Plant and machinery		2,932	10,416
Fixtures and fittings, tools and equipment		145	230
Leasehold improvements		2,521	2,686
Prepayments for property, plant and equipment		1,446	0
		7,044	13,332
Investments	7		
Equity investments in group entities		1,604	1,604
Deposits		114	114
		1,718	1,718
Total fixed assets		8,762	15,050
Current assets			
Inventories			
Raw materials and consumables		16,949	14,505
Work in progress		202	324
Finished goods and goods for resale		4,451	3,763
		21,602	18,592
Receivables			
Trade receivables		31,117	21,508
Receivables from group entities		885	1,501
Other receivables		2,586	1,624
Deferred tax asset	8	21	790
		34,609	25,423
Total current assets		56,211	44,015
TOTAL ASSETS		64,973	59,065

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
EQUITY AND LIABILITIES			
Equity	9		
Contributed capital		6,000	6,000
Proposed dividends for the financial year		1,200	0
Retained earnings		10,115	9,116
Total equity		17,315	15,116
Liabilities other than provisions			
Non-current liabilities other than provisions			
Lease obligations		0	7,616
		0	7,616
Current liabilities other than provisions			
Trade payables		15,031	14,113
Payables to group entities		25,176	14,223
Other payables		7,451	7,997
		47,658	36,333
Total liabilities other than provisions		47,658	43,949
TOTAL EQUITY AND LIABILITIES		64,973	59,065

Financial statements 1 January – 31 December

Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2017	6,000	9,116	0	15,116
Transferred over the profit appropriation	0	999	1,200	2,199
Equity at 31 December 2017	6,000	10,115	1,200	17,315

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Heléns Rør A/S for 2017 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Heléns Rør A/S and group entities are included in the consolidated financial statements of Heléns Rör AB, Halmstad, Sweden.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Heléns Rör AB.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard 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 granted are recognised in revenue.

Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries, incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, Management, office premises, office expenses and depreciation.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

Tax on profit/loss for the year

The Company is jointly taxed with Danish affiliated companies in the BENTELER Group. Current Danish corporation tax is allocated by the settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable contribution between the jointly taxed companies in proportion to their taxable income (full absorption with refunds for tax losses).

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Plant and machinery, fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	5-10 years
Leasehold improvements	10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently treated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Investments

Equity investments in group entities and associates are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of property, plant and equipment and equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

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.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

Equity

The expected dividends payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

2 Staff costs and incentive schemes

	2017	2016
Staff costs		
Wages and salaries	21,836	21,765
Pensions	1,843	1,859
Other social security costs	694	820
	24,373	24,444
Average number of full-time employees	50	49

Staff costs are recognised in the financial statements as follows:

	2017	2016
Production	13,316	12,427
Distribution	7,993	9,665
Administration	3,064	2,352
	24,373	24,444

Remuneration of the Company's Management and Board of Directors is not disclosed pursuant to section 98b(3)(ii) of the Danish Financial Statements Act.

DKK'000	2017	2016

3 Financial expenses

Interest expense to group entities	215	250
Other financial costs	90	11
	305	261

4 Tax on profit/loss for the year

Deferred tax for the year	626	239
	626	239

5 Proposed profit appropriation

Proposed dividends for the year	1,200	0
Retained earnings	999	907
	2,199	907

Financial statements 1 January – 31 December

Notes

6 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improve-ments	Prepayments for property, plant and equipment	Total
Cost at 1 January 2017	28,630	3,117	6,951	0	38,698
Additions for the year	541	19	82	1,446	2,088
Disposals for the year	-7,717	-86	0	0	-7,803
Cost at 31 December 2017	21,454	3,050	7,033	1,446	32,983
Depreciation and impairment losses at 1 January 2017	-18,214	-2,887	-4,265	0	-25,366
Depreciation for the year	-402	-104	-247	0	-753
Reversed depreciation and impairment losses on assets sold	94	86	0	0	180
Depreciation and impairment losses at 31 December 2017	-18,522	-2,905	-4,512	0	-25,939
Carrying amount at 31 December 2017	2,932	145	2,521	1,446	7,044

7 Investments

DKK'000	Equity investments in group entities	Deposits
Cost at 1 January 2017	1,604	114
Cost at 31 December 2017	1,604	114
Carrying amount at 31 December 2017	1,604	114

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit for the year
Subsidiaries:			DKK'000	DKK'000
Aktieselskabet Thos. Sonne Junr.	Middelfart	100%	5,806	1,390
			5,806	1,390

Financial statements 1 January – 31 December

Notes

8 Deferred tax

DKK'000	2017	2016
Deferred tax at 1 January	790	1,029
Joint taxation contribution receivable previous year	-143	0
Deferred tax adjustment for the year in the income statement	-626	-239
	21	790

Tax losses allowed for carryforward amounting to DKK 1.4 million are attributable to Danish affiliated companies in the BENTELER Group. Due to a considerable volume of orders at the end of 2017, the losses are expected to be realisable within the foreseeable future.

It is expected that DKK 300 thousand of the deferred tax recognised at 31 December 2017 will crystallise as current tax in 2018.

9 Equity

The contributed capital consists of 6,000 shares of a nominal value of DKK 1,000 each.

All shares rank equally.

10 Contractual obligations, contingencies, etc.

Contingent liabilities

Heléns Rør A/S is a party to a pending lawsuit. In Management's opinion, apart from the liabilities recognised in the balance sheet at 31 December 2017, the outcome of these lawsuits will not affect the Company's financial position.

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

The Group's Danish entities are jointly and severally liable for the joint registration for VAT.

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 8,500 thousand within 84 months (2016: DKK 2,240 thousand).

Financial statements 1 January – 31 December

Notes

11 Related party disclosures

Heléns Rør A/S' related parties comprise the following:

Control

Heléns Rör AB, Västergårdsvägen 16, 301 04 Halmstad, Sweden

Heléns Rör AB holds the majority of the contributed capital in the Company

Heléns Rør A/S is part of the consolidated financial statements of Heléns Rör AB, Halmstad, Sweden, and the consolidated financial statements of Benteler International Aktiengesellschaft, Salzburg, Austria, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Heléns Rör AB and the consolidated financial statements of Benteler International Aktiengesellschaft can be obtained by contacting the companies at the addresses above.

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.