

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE FOR TORM PLC (THE "COMPANY")

Purpose and Authority

The purpose of the Audit Committee (the "**Committee**") is to assist the Board of Directors (the "**Board**") in fulfilling its responsibilities relating to the oversight of the quality and integrity of the accounting, auditing, financial reporting and risk management of the Company and such other duties as may from time to time be assigned to the Committee by the Board and are required by the rules and regulations of the Securities and Exchange Commission (the "**SEC**"), the New York Stock Exchange (the "**NYSE**") or any other securities exchange on which the Company's securities are traded.

The Committee's function is one of oversight only and does not relieve management of its responsibilities for preparing financial statements that accurately and fairly present the Company's financial results and condition, nor the auditors of their responsibilities relating to the audit or review of financial statements. The Committee shall oversee the accounting, financial reporting, risk management processes related to the financial reporting of the Company and the audits of the Company's financial statements. The Committee shall oversee and control the qualifications, independence and performance of the appointed independent auditors.

The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors (including the resolution of disagreement between the Company's management and the independent auditor regarding financial reporting), provided that the Committee's appointment of the independent auditor shall be submitted to the Company's Annual General Meeting (the "**AGM**") for ratification by the Company's shareholders. The Committee is responsible for providing a recommendation to the Board of Directors, which the Board must use as a basis for its recommendation to the AGM. The independent auditors shall report directly to the Committee. The Committee may engage and compensate outside counsel or other experts or consultants, as it deems appropriate to carry out its duties. Such engagement and compensation shall be made through the Company's senior management team ("**Management**") or the Head of Group Accounting Department. The Company shall provide appropriate funding, as the Committee determines, for the payment of compensation to any outside counsel and other advisors retained by the Committee and for the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee is responsible for reviewing financial reports prior to their release, while the approval hereof is the responsibility of the Board.

The Committee shall have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in these Terms of Reference or otherwise assigned to it by the Board. In discharging its duties, the Committee is empowered to investigate any matter brought to its attention and shall have unrestricted access to Management and the Head of Group Accounting Department and to information deemed relevant for the investigation. The Committee may have access to other employees.

Membership and Appointment

The Committee shall at any time consist of at least three members of the Board, as determined by the Board, each of whom shall meet the independence requirements established by the Board and applicable laws, regulations and listing requirements, including the UK Corporate Governance Code, Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the applicable listing rules of the NYSE or any other securities exchange on which the Company’s securities are traded. At least one Committee member shall in the judgment of the Board have recent and relevant financial experience in order to have the ability to make an independent assessment of the appropriateness of the Company’s financial statements and internal controls as well as the planning and execution of the external audit. The Committee members are appointed and the chairperson of the Committee is nominated among these by the Board. The Board may remove any member from the Committee at any time with or without cause.

Meetings of the Committee

The Committee shall meet not less than four times a year, and a meeting calendar shall be established annually corresponding with the Company’s financial reporting cycle. Additional meetings may occur as the Committee or its chair, Management or the auditors deem advisable. The Management and the Head of Group Accounting Department will normally participate in the meetings. The Committee may invite such other persons to its meetings, including the independent auditors, as it deems appropriate. The Management and the Head of Group Accounting Department are not members of the Committee.

A quorum of any meeting will be two members (including, whenever possible, at least one member with recent and relevant financial experience), but members of the Committee should attend all meetings. The Committee shall keep adequate minutes of all its proceedings and will report on its activities to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with these Audit Committee Terms of Reference, relevant laws and provisions. Any changes to these Terms of Reference shall be pre-approved by the Board.

Roles and Responsibilities

The following are the principal recurring duties of the Committee:

Independent auditors

- 1) Directly appoint, retain, oversee, and discharge the independent auditor and submit the appointment of the independent auditor for ratification by the AGM.
- 2) Approve fees payable to the appointed independent auditing firms.
- 3) Review and evaluate the independence, qualifications and performance of the independent auditors, including
 - i. reviewing the formal written statement submitted periodically by the independent auditors delineating all

Action	
Audit Com.	Board
Approve and submit for ratification	None
Approve	None
Review and report non-conformities to Board	Review report

viii. any announcements relating to the Company's financial performance

Internal control and risk management

- 8) Discuss principles for risk assessment and risk management related to the financial reporting and review the Company's significant risks, specifically including fraud, and their impact on the financial reporting including stress testing.
- 9) Evaluate the overall effectiveness of the internal control function.
- 10) Discuss with Management and, if necessary, the independent auditors, the need for an internal control function, the adequacy and effectiveness of the Company's internal controls over financial reporting and the quality of the accounting personnel and other personnel relevant for the internal control framework, for consideration in the Company's annual report.
- 11) Consider whether Management has appropriately dealt with recommendations made by the independent auditors.
- 12) Review all related-party transactions, including transactions between the Company and its directors or affiliates of directors.
- 13) Establish and oversee the effectiveness of procedures for the receipt, retention, and proper treatment of confidential, anonymous submissions by employees and external parties of complaints and concerns regarding accounting, internal control or auditing matters.

Compliance with laws and regulations

- 14) Review and discuss with Management the effectiveness of the systems for monitoring compliance with laws and regulations.
- 15) Review Management's investigations and follow-up of any fraudulent acts or non-compliance and be satisfied that all relevant regulatory compliance matters have been considered in the preparation of the financial statements.
- 16) Review Business Principles and discuss with Management any significant breaches observed.

Reporting responsibilities

- 17) Periodically update the Board during Board meetings about Committee activities.
- 18) Report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and make appropriate recommendations as to the steps to be taken.

Action	
Audit Com.	Board
Review	Approve
Detailed review	Approve
Review	Review auditor reports
Review	None
Review	None
Approve	None
Review	Approve
Review	Approve
Review and report to Board	Approve
Report to Board	Review report
Report to Board	Review report

- 19) Make a statement available to the public disclosing how the Committee carries out its functions and how it is composed.

Review and Evaluation

- 20) Review and reassess annually the adequacy of the Terms of Reference and, if appropriate, propose changes to the Board.
- 21) Ensure that the Terms of Reference are approved or re-approved by the Board.
- 22) Perform an annual evaluation of the Committee’s performance.

Action	
Audit Com.	Board
Review and report to Board	Approve
Review and report to Board	Approve
Evaluate	Review

The Committee was constituted as a committee of the Board of the Company at a full meeting of the Board held on March 14, 2016 in accordance with the articles of association of the Company.