



TERMS OF REFERENCE FOR THE NOMINATION COMMITTEE OF TORM PLC (THE “COMPANY”)

Purpose

The purpose of the Nomination Committee (the "**Committee**") is to:

- Ensure plans are in place for orderly succession to both the Board of Directors and Senior Management Team positions and oversee the development of a diverse pipeline for succession
- Identify individuals qualified to become members of the Board of Directors and recommend to the Board of Directors nominees for election as members of the Board of Directors
- Maintain oversight of the operation and effectiveness of the Board of Directors and the corporate governance and management of the Company
- Evaluate the balance of skills, experience and knowledge of the Board of Directors
- Establish the process for conducting the review of the performance of the Executive Management¹ of the Company appointed from time to time (the "**Executive Management**")
- Monitor compliance with such principles and policies

Composition

Independence

The Committee shall consist of three or more members of the Board of Directors, as determined by the Board of Directors, the majority of whom shall meet the independence requirements established by the Board of Directors, applicable laws, regulations and listing requirements.

Chairman

The Board of Directors shall appoint the Committee's Chairman, who may be either the Chairman of the Board of Directors or an Independent Non-Executive Director. The Chairman of the Board of Directors shall not chair the Committee when it is dealing with the matter of succession to the Chairmanship.

Appointment and removal of members

The members of the Committee shall be appointed by the Board of Directors following consultation with the incumbent Chairman of the Committee. The Board of Directors may remove any member from the Committee at any time with or without cause.

¹ The definition of 'Executive Management' for this purpose should be the Executive Director / Chief Executive Officer.

Duties and responsibilities

The Committee shall have the following duties and responsibilities, in addition to any other duties and responsibilities assigned to the Committee from time to time by the Board of Directors.

- Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board of Directors and make recommendations to the Board of Directors with regard to any changes
- Consider succession planning for Directors and other Senior Management in the course of its work, considering the challenges and opportunities facing the Company, and the skills and expertise needed on the Board of Directors in the future
- Review the leadership needs of the organization, both Executive and Non-Executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace

Chairman selection

For the appointment of a Chairman, the Committee should prepare a job specification, including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Board of Directors before appointment and any changes to the Chairman's commitments should be reported to the Board of Directors as they arise.

Director selection

- Review the qualifications of all Board of Director candidates and nominees and recommend for approval by the Board of Directors the nominees to stand for election as a member of the Board of Directors of the Company (at the Company's annual general meeting of shareholders or, as the need arises, to fill any Board of Director vacancies), based on the Guidelines for Selecting Board of Director members outlined in Exhibit A to these Terms of Reference
- Review the re-appointment of any Non-Executive Director at the conclusion of their specified term of office, having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required
- Establish and periodically review policies and procedures related to Shareholder recommendation or nomination of Director candidates
- Assist in identifying, interviewing and recruiting candidates for the Board of Directors
- Periodically review and recommend to the Board of Directors appropriate revisions to the Guidelines for selecting Board Members outlined in Exhibit A to these Terms of Reference
- Establish and periodically review procedures for the review, approval and recommendation of candidates for the Board of Directors
- Ensure that on appointment to the Board of Directors, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside of Board meetings.

Board of Directors and Board performance

- Periodically review the size, structure and overall composition of the Board of Directors and its Committees and recommend to the Board of Directors any changes
- Recommend to the Board of Directors suitable candidates for the role of Senior Independent Director

- Review annually the time required from Non-Executive Directors. Performance evaluation should be used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties
- Periodically review each individual Director and the specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success
- Annually (or as the need arises to fill any vacancies) recommend to the Board of Directors membership of the Audit and Remuneration Committees, and any other Board Committees as appropriate, in consultation with the Chairman of those Committees
- Oversee annual evaluations of the performance of the Board of Directors, its Chairman and its Committees
- Receive the resignations of Board members who change the principal occupation they held when elected to the Board of Directors, review the continued appropriateness of membership of the Board of Directors by such person and make a recommendation to the Board of Directors regarding acceptance of the resignation
- Investigate any potential conflict of interest by a Board member as assigned to it by the Board of Directors
- Design and oversee an orientation program for new Board members and any continuing education programs for the Board members

Governance policies

- Monitor compliance with and the effectiveness of the corporate governance guidelines applicable to the Company
- Monitor developments in the corporate governance field, develop, review and recommend to the Board of Directors, as appropriate, other principles and policies relating to corporate governance, and monitor compliance with and the effectiveness of such principles and policies, as appropriate

Executive Management

- Formulating plans for succession for the Executive Management
- Annually establish the process for conducting the review of the Executive Management performance

Reports

- The Committee Chairman shall report to the Board of Directors on its proceedings after each meeting on all matters within its duties and responsibilities
- Annually report to the Board of Directors on the Committee's assessment of the Board's performance
- Recommend to the Board the formulation of plans for succession for both Executive and Non-Executive Directors and in particular for the key roles of Chairman and Executive Management
- The Committee shall produce a report to be included in the Company's Annual Report about its activities
- The report referred to above should include a statement on the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy and progress on achieving the objectives

Authority and external advisors

The Committee shall have the sole authority to engage and terminate any outside counsel, any search firm that is used to identify Board members or other experts or consultants, as it deems appropriate, including the sole authority to approve fees and other retention terms. The Committee shall also 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 of Directors (including in the corporate governance guidelines).

Meetings and operations

The Committee shall meet at least twice a year. The Committee may conduct such other meetings as are necessary or appropriate for the Committee to fulfill its responsibilities. In the absence of a member designated by the Board of Directors to serve as Chairman, the members of the Committee may appoint from among their number a person to preside at their meetings.

The Committee shall have access to sufficient resources to carry out its duties, including access to the Company Secretariat for assistance as required.

The Committee will take minutes of its proceedings and will report on its actions and activities at the next meeting of the Board of Directors.

Committee members will be furnished with copies of the minutes of each meeting.

The Committee shall be governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board of Directors.

The Committee shall be provided with appropriate and timely training, both in the form of an induction program for new members and an ongoing basis for all members.

The Committee shall be authorized and empowered to adopt its own rules of procedure not inconsistent with (a) any provision of these Terms of Reference, (b) any provision of the Articles of Association of the Company or (c) the laws of England and Wales, whilst giving due consideration to the provisions of the Code and the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure and Transparency Rules and any other applicable rules, as appropriate.

Evaluation

The Committee shall review and reassess these Terms of Reference at least annually and, if appropriate, recommend changes to the Board of Directors.

The Committee shall arrange for periodic reviews of its own performance and obtain or perform an annual evaluation of the Committee's performance and review the results of the Board of Directors performance evaluation process that relate to the composition of the Board of Directors making applicable recommendations for improvement.

The Committee was constituted as a Committee of the Board of Directors of the Company at a full meeting of the Board held on 14 March 2016 in accordance with the Articles of Association of the Company.

These revised Terms of Reference were reviewed and approved by the Board of Directors on [].

Exhibit A

Guidelines for Selecting Board Members

The Terms of Reference of the Nomination Committee (the "**Committee**") of the Board of Directors require the Committee to periodically review and recommend to the Board of Directors appropriate revisions to these guidelines for selecting members of the Board of Directors. The following guidelines have been adopted by the Board of Directors upon the recommendation of the Committee.

Board member qualifications

When considering potential Board candidates for nomination or election, the Board of Directors should consider the following qualifications, among others, of each Board candidate:

- High standard of personal and professional ethics, integrity and values
- Training, experience and ability at making and overseeing policy in business, government or education sectors
- Willingness and ability to keep an open mind when considering matters affecting interests of the Company and its constituents
- Willingness and ability to devote the required time and effort to fulfill effectively the duties and responsibilities related to membership of the Board of Directors and its Committees, including consideration of, among other factors, employment demands and other Board and Committee service
- Willingness and ability to serve on the Board of Directors for multiple terms, if nominated and elected, to enable development of a deeper understanding of the Company's business affairs
- Commitment not to engage in activities or interests that may create a conflict of interest with a Board member's responsibilities and duties to the Company and its constituents;
- Commitment to act in the best interests of the Company and its constituents and objectively assess Board of Directors, Committee and Management performances

Board composition selection criteria

The Board of Directors believes that its effectiveness depends on the overall mix of the skills and characteristics of its members. Accordingly, the following factors, among others, relating to composition of the Board of Directors should be considered when determining the needs of the Board of Directors and evaluating candidates to fill such needs:

- Independence
- Professional experience
- Other demands on the candidate's time and energies, including employment and other Board and Committee service
- Industry knowledge (e.g. relevant industry or trade association participation)
- Skills and expertise (e.g. accounting or financial)
- Leadership qualities
- Public company Board and Committee experience
- Non-business-related activities and experience (e.g. academic, civic, public interest, other)
- Board continuity (including succession planning)
- Board size
- Number and type of Committees and Committee sizes
- Diversity
- Citizenship and residency of Board members in view of maintaining Foreign Private Issuer status of the Company

- Any requirements, recommendations, or other corporate governance-related guidance regarding Board and Committee composition set forth by the UK Companies Act, the Securities and Exchange Commission or the New York Stock Exchange, or any other exchange on which the Company's securities are listed.

Selection procedures

Potential Board candidates should be referred to the Chairman of the Committee for consideration by the Committee and possible recommendation to the Board of Directors. The Committee shall maintain a list of Board member candidates to consider and propose to the Board of Directors, as required. If necessary or desirable in the opinion of the Committee, the Committee will determine appropriate means for seeking additional Board candidates, including engagement of any search firm to assist the Committee in the identification of Board member candidates. The Committee shall be responsible for conducting appropriate inquiries into the backgrounds and qualifications of potential Board candidates.

The Committee shall decide on the appropriate means for the review of individual Board candidates, including current Board members, and the recommendation of Board candidates to the Board of Directors. In the event of a vacancy on the Board of Directors, the Chairman of the Committee shall initiate the effort to identify appropriate Board member candidates.