

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

## **Purpose**

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

- 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 the performance of the chief executive officer of the Company appointed from time to time (the "**Chief Executive Officer**")
- 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.

### **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.

### **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

- 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
- If contemplating the appointment of a new chairman for the Board of Directors, prepare a job application, including the time commitment expected and requiring disclosure of other significant commitments to the Board of Directors before appointment

### **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
- Periodically review the appropriateness of any restrictions on service on the Board of Directors, such as any term limits and any retirement policy
- Annually (or as the need arises to fill any vacancies) recommend to the Board of Directors the appointment of Members to Committees of the Board of Directors and advise the Board of Directors and the Committees about the selection of Committee Chairmen
- 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 members 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

### **Chief Executive Officer**

- Annually establish the process for conducting the review of the Chief Executive Officer's performance

### **Reports**

- Regularly report to the Board of Directors on significant matters arising from the Committee's activities, and annually regarding the Committee's assessment of the Board's performance

### **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 also 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 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 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 programme 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.

### **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 obtain or perform an annual evaluation of the Committee's performance and make 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.

## Exhibit A

### **Guidelines for Selecting Board Members**

The Terms of Reference of the Nomination Committee (the "**Committee**") of the Board of Directors requires 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; and
- 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, and

- 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.