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

Purpose and Authority
The purpose of the Remuneration Committee (the "**Committee**") is to assist the Board of Directors (the "**Board**") in reviewing the performance and development of the Company's executive management team ("**Executive Management**") in achieving corporate goals and objectives and to assure that the Executive Management is compensated effectively, including all salaries, bonuses and stock compensation and other benefit programmes.

The Company's remuneration policies and plans are to be designed to attract and retain the best employees in a manner consistent with the strategy of the Company and to maintain its competitive posture.

Membership and Appointment
The Committee shall consist of at least three members of the Board, as determined by the Board, the majority of whom shall meet the independence requirements established by the Board and applicable laws, regulations and listing requirements.

The Committee members shall be appointed and the chairperson of the Committee shall be 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 two 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 or Management deem advisable. The Committee may invite any officer or employee of the Company to attend meetings of the Committee to meet with members of, or consultants to, the Committee.

A quorum of any meeting will be two members 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 Remuneration Committee Terms of Reference, relevant laws and provisions. Any changes to the Terms of Reference shall be pre-approved by the Board.

Roles and Responsibilities
The Committee shall report regularly to the Board summarizing any significant issues considered by the Committee and any action taken.

The Committee shall have the following responsibilities and duties:

- Review and approve the general remuneration philosophy of the Company together with the Executive Management.
- Review and approve the remuneration policy for the Company's chief executive officer appointed from time to time and other members of the Executive Management and recommend the annual remuneration, including benefits, of all executive officers and report such determinations and actions to the Board.
- Approve stock option grants and plans to all persons who are Board members and Officers, provided that in designing any such incentive plans, the Committee shall follow the provisions of Schedule A to the Terms of Reference.
- Ensure that incentive remuneration plans are administered in a manner consistent with the Company's remuneration policy and the terms of such plans.
- Monitor summary data on the Company's employee population (e.g. remuneration costs, benefit plans, remuneration benchmark, turnover levels, etc.).
- Consider carefully what compensation commitments (including pension contributions) a director's terms of appointment would entail in the event of early termination.
- Review and discuss – at least once annually - matters related to Executive Management's performance, remuneration, succession planning and development.
- Select, appoint and set compensation and retention terms for any remuneration consultants or advisors whom the Committee believes are necessary to assist in it in carrying out its duties.
- Perform such other functions and activities as required by law or the Company's Articles of Association or assigned to it by the Board-or as the Committee deems appropriate for it to carry out its purpose.
- Produce at least once a year a report to the Board about the Committee's work and conclusions.
- Submit the directors' remuneration policy for approval on a binding basis by the Board and shareholders (i) every three years, (ii) in any year in which there is a change to the policy, (iii) if shareholder approval was not obtained when last submitted, and (iv) if majority shareholder approval was not achieved on the last submitted annual remuneration report.
- Submit the annual report on directors' remuneration for approval on an advisory basis by the Board and shareholders at the annual general meeting each year.

The Committee was constituted as a committee of the Board 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.

Schedule A

The design of performance-related remuneration for executive directors

Balance

The remuneration committee should determine an appropriate balance between fixed and performance-related, immediate and deferred remuneration. Performance conditions, including non-financial metrics where appropriate, should be relevant, stretching and designed to promote the long-term success of the company. Remuneration incentives should be compatible with risk policies and systems. Upper limits should be set and disclosed.

The remuneration committee should consider whether the directors should be eligible for annual bonuses and/or benefits under long-term incentive schemes.

Share-based remuneration

Traditional share option schemes should be weighed against other kinds of long-term incentive scheme. Executive share options should not be offered at a discount save as permitted by the rules of any applicable stock exchange.

Any new long-term incentive schemes which are proposed should be approved by shareholders and should preferably replace any existing schemes or, at least, form part of a well-considered overall plan incorporating existing schemes. The total rewards potentially available should not be excessive.

For share-based remuneration the remuneration committee should consider requiring directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise, including for a period after leaving the company, subject to the need to finance any costs of acquisition and associated tax liabilities. In normal circumstances, shares granted or other forms of deferred remuneration should not vest or be paid, and options should not be exercisable, in less than three years. Longer periods may be appropriate. Grants under executive share option and other long-term incentive schemes should normally be phased rather than awarded in one large block.

Pensions

In general, only basic salary should be pensionable. The remuneration committee should consider the pension consequences and associated costs to the company of basic salary increases and any other changes in pensionable remuneration, especially for directors close to retirement.