



# CORPORATE GOVERNANCE STATEMENT

Effective 13 March 2023



**TORM PLC – CORPORATE GOVERNANCE PRACTICES RELATED TO THE UK CORPORATE GOVERNANCE CODE, AS ISSUED BY THE FINANCIAL REPORTING COUNCIL IN AUGUST 2018 (THE “CODE”)**

TORM plc (the “Company”) has elected to adopt the Code, a copy of which is available on [www.frc.org.uk](http://www.frc.org.uk).

As a company incorporated in the UK and listed on Nasdaq both in Copenhagen and in New York, the Company is required to report on its compliance with the Code in accordance with the “comply or explain” principle. The Company’s position with respect to compliance (or non-compliance) with the individual recommendations of the Code is required to be included in the Directors’ report forming part of the Company’s Annual Report and Accounts (the “Annual Report”), the contents of which are summarized in more detail in this Corporate Governance Statement. Prior to publication of the 2022 Annual Report, any references to the Annual Report should be viewed as reference to details which will appear in that Annual Report.

The Company has a one-tier board governance structure in accordance with UK legislation and is governed, subject to its Articles of Association, by its Board of Directors, consisting of both Executive and Non-Executive Directors, which undertake both the management and monitoring functions of the Company (the “Board”).

Practices of the Board in general of the Company and any Executive Director(s):

- The Directors are entrusted with the overall responsibility for the Company. The duties of the Directors include establishing policies for strategy, accounting, organization and finance and the appointment of executive officers. The primary responsibilities of the Directors are to manage the business and affairs of the Company within the limits prescribed by the Company’s Articles of Association or by special resolution of the shareholders. The Directors must act in what they consider the best interests of the Company consistent with their fiduciary duties
- The Non-Executive Directors of the Board select the Executive Director(s) and determine the terms and conditions of employment and the duties of the Executive Director(s). The Executive Director(s), together with the other members of the Group’s Senior Management (together, the “Senior Management”) are responsible for the day-to-day management of the Company, including the Company’s operational development, results and internal development, and for implementing the strategies and overall decisions approved by the Board
- The Board has established an Audit Committee, a Remuneration Committee, a Nomination Committee and a Risk Committee. Terms of Reference for each of these committees are available on the Company’s website ([www.torm.com](http://www.torm.com)).

This Corporate Governance Statement provides a detailed account of how the Company has applied the Code’s principles, and how it complies with its provisions. It sets out the Company’s approach to governance and supplements the information given in the Company’s Annual Report, as approved by the Board.

13 March 2023

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
<b>1: BOARD LEADERSHIP AND COMPANY PURPOSE</b>			
Principles			
<p>A. A successful company is led by an effective and entrepreneurial Board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to the wider society.</p>			<p>The Board agrees with the Board leadership and Company purpose principles given in the Code, which it contemplates in its internal Rules of Procedure:</p> <ul style="list-style-type: none"> <li>To provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risks to be assessed and managed</li> <li>To safeguard the interests of the shareholders in the Company with due regard to other stakeholders</li> </ul>
<p>B. The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.</p>			<p>The Board agrees with the Board leadership and Company purpose principles given in the Code, which it contemplates alongside its internal Rules of Procedure:</p> <ul style="list-style-type: none"> <li>To set the Company's strategic aims, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance; and</li> <li>To set the Company's values and standards and ensure effective engagement with its members, in order that its obligations to its shareholders and others are understood and met</li> <li>To lead by example, promoting the desired culture</li> </ul> <p>All of the Company's Directors are briefed on the duties they owe as Directors of an English public company when they join the Board, including their statutory duties under the Companies Act 2006.</p>
<p>C. The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.</p>			<p>The Board agrees with the Board leadership and Company purpose principles given in the Code, which it contemplates alongside its internal Rules of Procedure:</p> <ul style="list-style-type: none"> <li>Agrees on a number of strategic KPIs that the Company believes are vital for the fulfillment of the strategic ambition</li> <li>Assesses the Company's performance across a wide range of measures and indicators against strategic targets</li> <li>Reviews the metrics and tests the relevance of these KPIs to the strategy on an ongoing basis</li> </ul>

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D. In order for the Company to meet its responsibilities towards the shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.			<ul style="list-style-type: none"> <li>• On an annual basis, conduct an Enterprise Risk Management process, during which the key risks facing the Company are identified, assessed, addressed and reported at different levels of the organization</li> <li>• The Company's risk management approach emphasizes management accountability and oversight. Risks identified through the Company's risk management processes are prioritized based on probability and severity. Identified risks are discussed, and responsibility is assigned to the Senior Management team member most suited to manage the risk</li> <li>• The Company's financial controls are defined and monitored in a compliance framework consistent with the recognized framework established by the Committee of Sponsoring Organizations (COSO 2013).</li> <li>• The Board of Directors fulfills its responsibility regarding effectiveness of the risk management and Internal Controls over Financial Reporting through the Audit Committee. As a result of the US listing on Nasdaq in 2017, TORM was required to become compliant with the Sarbanes-Oxley Act (SOX) resulting in increased regulatory requirements.</li> </ul> <p>The Company aspires to maintain a consistent and distinctive dialogue with potential and existing shareholders and analysts, and the Chairman regularly discusses the Company's governance and strategy with major shareholders.</p> <p>The main platform for updated information regarding the Company and the development of the business is on the Company's website, the Annual Report, quarterly statements, company announcements, investor presentations and newsletters are readily available for download or for automatic news updates, should shareholders wish to subscribe to the Company's mailing list.</p> <p>Furthermore, the Annual General Meeting invites shareholders to engage in dialogue with the Company and express their views actively during the meeting.</p>

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<p>E. The Board should ensure that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.</p>			<p>The central duty of the Directors is the duty to act in good faith and in a way most likely to promote the success of the Company for the benefit of its members as a whole. In fulfilling this duty, Directors should have regard (amongst other matters) to the likely consequences of any decision in the long term:</p> <ul style="list-style-type: none"> <li>• the interests of its workforce</li> <li>• the need to foster business relationships with suppliers, customers and others</li> <li>• the impact of operations on the community and the environment</li> <li>• the desirability of maintaining a reputation for high standards of business</li> <li>• the need to act fairly between members of the Company</li> </ul> <p>The Board ensures that the Rules of Procedure and internal board policies for the Company's Board of Directors and Executive Management define the Board's most important tasks related to financial and managerial control of the Company.</p>
<p>1. The Board should assess the basis on which the Company generates and preserves value over the long-term. It should describe in the Annual Report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the Company's business model and how its governance contributes to the delivery of its strategy.</p>	<p>In compliance</p>		<p>In the Strategic Report contained within the Annual Report, the Directors have included an explanation of the Company's business model and the strategy for delivering the objectives of the Company.</p> <p>One of the key accountabilities of the Board is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed. Effective risk management is critical to the Board achieving its strategic objectives. The Company's financial controls are defined and monitored in a compliance framework consistent with the recognized framework established by the Committee of Sponsoring Organizations (COSO 2013).</p> <p>The Board reports annually on the review of the effectiveness of the systems in the Annual Report.</p>
<p>2. The Board should assess and monitor the culture. Where it is not satisfied that policy, practices or behavior throughout the business are aligned with the Company's purpose, values and strategy, it should seek assurance that</p>	<p>In compliance</p>		<p>Through the use of the Company's annual employee motivation and satisfaction survey, the Board is able to assess and monitor the culture ensuring that policy is aligned to the Company's purpose, values and strategy. All shore-based employees worldwide are invited to participate in the voluntary survey. The</p>

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<p>management has taken corrective action. The Annual Report should explain the Board's activities and any action taken. In addition, it should include an explanation of the Company's approach to investing in and rewarding its workforce.</p>			<p>outcome of the survey is discussed within the organization and with the Board and corrective action is taken where deemed appropriate. The results from the survey are published in the Annual Report under the "Our Responsibility" section.</p> <p>The Company aims to attract and retain the best employees by living the TORM Leadership Philosophy values and by ensuring that the Company's leaders invest in their employees. Through the One TORM platform, the Company strives to continuously develop the employees' abilities to do what they do best.</p> <p>In accordance with the Company's Remuneration Policy, the Board of Directors has as part of the long-term incentive program granted certain employees Restricted Share Units (RSUs) in the form of restricted stock options. The RSUs aim at incentivizing the employees to seek to improve the performance of TORM and thereby the TORM share price for the mutual benefit of themselves and the shareholders of TORM.</p>
<p>3. In addition to formal general meetings, the Chairman should seek regular engagement with major shareholders in order to understand their views on governance and performance against the strategy. Committee Chairs should seek engagement with shareholders on significant matters related to their areas of responsibility. The Chairman should ensure that the Board as a whole has a clear understanding of the views of the shareholders.</p>	<p>In compliance</p>		<p>The Board and the Executive Management encourage an active dialogue with the Company's shareholders through Annual General Meetings, investor meetings and roadshow activities.</p> <p>The Company aspires to maintain a consistent and distinctive dialogue with potential and existing shareholders and analysts, and the Chairman regularly discusses the Company's governance and strategy with major shareholders. The Board (including Non-Executive Directors) and the Executive Management regularly discuss the market's expectations to the Company's results and receive regular feedback from the shareholders.</p> <p>The main platform for updated information regarding the Company and the development of the business is on the Company's website, the Annual Report, quarterly statements, company announcements, investor presentations and newsletters are readily available for download or for automatic news updates, should shareholders wish to subscribe to the Company's mailing list.</p> <p>Furthermore, the Annual General Meeting invites shareholders to engage in dialogue with the Company and express their views actively during the meeting.</p>

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<p>4. When 20% or more of the votes have been cast against a Board recommendation for a resolution, the Company should explain, when announcing the voting results, what actions it intends to take to consult the shareholders in order to understand the reasons behind the result. An update on the views received from the shareholders and actions taken should be published no later than six months after the shareholder meeting. The Board should then provide a final summary in the Annual Report and, if applicable, in the explanatory notes to resolutions at the next shareholder meeting, on what impact the feedback has had on the decisions the Board has taken and any actions or resolutions now proposed.</p>	In compliance		<p>The Senior Independent Director is also available for shareholders as required and attends selected investor meetings in connection with the Company's roadshow activities and will continue to do so under his role.</p> <p>The Company's registrar will record all proxy votes received up to 48 hours prior to the general meetings and report the votes 'For', 'Against' or 'Vote Withheld' to the Chairman prior to the relevant meeting.</p> <p>In the event of votes being cast against a Board recommendation of more than 20%, the Company would take action to understand the reasons behind the voting results and provide a summary in the Annual Report on what impact the feedback has had on the decisions the Board has taken and any actions or resolutions now proposed.</p> <p>The final result of all votes, including an explanation of what actions the Company will take to consult with shareholders would be announced by the Company following the close of the meeting and shown on the Company's website. A further notice would be made within six months, containing an update on shareholder views and actions taken.</p>
<p>5. The Board should understand the views of the Company's other key stakeholders, and describe how their interests and the matters set out in section 172 of the Companies Act of 2006 have been considered in Board discussions and decision-making, in the Annual Report. The Board should keep engagement mechanisms under review so that they remain effective.</p>	In compliance		<p>The Board understands its duties as described under section 172 of the Companies Act of 2006 and duly considers all aspects of the section when looking to promote the success of the Company. In both the Strategic and Corporate Social Responsibility reports contained within the Annual Report, the Directors include explanations of the Company's business model and the strategy for delivering the objectives of the Company, including the methods used for engaging with its workforce.</p>
<p>For engagement with the workforce one or a combination of the following methods should be used:</p> <ul style="list-style-type: none"> <li>• a Director appointed from the workforce;</li> <li>• a formal workforce advisory panel;</li> </ul>			<p>To ensure consistent communication to all investors, quarterly and annual financial statements and other stock exchange announcements are the main channels of communication. TORM maintains regular capital market contact through analyst and industry presentations, investor meetings and conference calls. Roadshows</p>

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<ul style="list-style-type: none"> <li>a designated Non-Executive Director</li> </ul> <p>If the Board does not choose one or more of these methods, it should explain what alternative arrangements are in place and why it considers that they are effective.</p>			<p>are primarily held in Copenhagen and in the major European and US financial centers.</p> <p>Employees are the core and most valuable asset of the Company. Through the workforce, the Company continues to grow and thrive. Engaging with the workforce is therefore seen as a priority by the Company. This is accomplished through the use of quarterly meetings “town halls”, as these gatherings constitute a valuable forum for sharing knowledge and best practice and encouraging feedback. In addition, the Company has three Board Observers who attend all Board meetings. Two of the Observers are employee-elected and per Article 76 of the Articles of Association they are entitled to attend and speak at the Board meetings, but not vote, and the remaining observer is a Deputy Minority Director.</p> <p>In addition, the Board receives and reviews the Company’s employee survey.</p>
<p>6. There should be a means for the workforce to raise concerns in confidence and – if they wish – anonymously. The Board should routinely review this and the reports arising from its operation. It should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.</p>	In compliance		<p>The Audit Committee has ensured that the whistleblower function established by TORM A/S in early 2006, has also been adopted by the Company. Details of the whistleblower function is accessible at <a href="http://www.torm.com/investors/governance/whistleblower">www.torm.com (http://www.torm.com/investors/governance/whistleblower)</a>.</p>
<p>7. The Board should take action to identify and manage conflicts of interest, including those resulting from significant shareholdings, and ensure that the influence of third parties does not compromise or override independent judgement.</p>	In compliance		<p>The Non-Executive Directors are considered to be independent.</p> <p>The Chairman is not considered independent under the Code, as the current Chairman is a Partner and Managing Director of the major shareholder, Oaktree Capital Management.</p> <p>The Board contemplates in its internal Rules of Procedure, matters surrounding, conflicts of interest.</p> <p>Listed on the Company’s website and contained within the Governance section of the Annual Report, the Board of Directors declare all Directorships and or management duties in other Boards.</p>



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			In addition, the integrated nature of TORM's business model provides transparency and additional alignment of management and shareholder interests, which mitigates the potential for actual or perceived conflicts of interest with related parties and allows for close control over operating expenses.
8. Where Directors have concerns about the operation of the Board or the Management of the Company that cannot be resolved, their concerns should be recorded in the Board minutes. On resignation, a Non-Executive Director should provide a written statement to the Chairman, for circulation to the Board, if they have any such concerns.	In compliance		<p>Directors' concerns which cannot be resolved about the running of the Company, or a proposed action will be recorded in the Board minutes.</p> <p>On resignation, a Director with such concerns would be expected to provide a written statement to the Chairman, for circulation to the Board. No such concerns have been highlighted.</p>

## 2: DIVISION OF RESPONSIBILITIES

### Principles

F. The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. The Chairman should demonstrate objective judgement throughout the tenure and promote a culture of openness and debate. In addition, the Chairman facilitates constructive Board relations and the effective contribution of all Non-Executive Directors, and ensures that the Directors receive accurate, timely and clear information.

The Chairman leads the Board and ensures that the Board's work is carried out effectively. The Non-Executive Directors are committed to contribute to constructively challenge and help develop proposals on strategy.

The Executive Director and Senior Management ensure that the Directors receive accurate, timely and clear information. The Board receives regular updates on business performance against the annual business plan, details of strategic and investment decisions, and presentations from members of the Senior Management team at the Board meetings.

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<p>G. The Board should include an appropriate combination of Executive and Non-Executive (and, in particular, independent Non-Executive) Directors, such that no one individual or small group of individuals dominates the Board's decision-making. There should be a clear division of responsibilities between the leadership of the Board and the executive leadership of the Company's business.</p>			<p>The Board excluding the Chairman, consists of three Non-Executive Directors, all of whom are considered to be independent and one Executive Director.</p> <p>The division of responsibilities between the Chairman and any CEO or sole Executive Director is stated in the Rules of Procedure for the Board, which has been reviewed and approved by the Board.</p>
<p>H. Non-Executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.</p>			<p>All Directors have committed to allocating sufficient time to the Company. Upon appointment, each of the Board members committed to allocating sufficient time to fulfill his/her responsibilities towards the Company. The Non-Executive Directors have undertaken that they have sufficient time to carry out their duties. The other significant commitments of each Non-Executive Director were disclosed to the Board before appointment. Changes to such commitments are reported to the Board as they arise, and details of these commitments are included in the Annual Report.</p> <p>The Nomination Committee ensure via its Terms of Reference that appointments to the Board are able to constructively challenge, offer relevant advice/guidance and hold the Senior Management to account.</p>
<p>I. The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.</p>			<p>The Board is confident that it has the Rules of Procedure, internal board policies, time and resources in place in order to function effectively and efficiently. In addition, the Executive Director and Senior Management ensure that the Board receives accurate, timely and clear information.</p> <p>The Company Secretary is responsible for keeping all statutory minutes and records for the Board. The Directors have access to advice and services from the Company Secretary.</p>
<p>9. The Chairman should be independent on appointment when assessed against the circumstances set out in Provision 10. The roles of the Chairman and the Chief Executive should not be exercised by the same individual.</p>	<p>In compliance</p>		<p>The Chairman will be a different person to any CEO or sole Executive Director appointed from time to time. The division of responsibilities between the Chairman and any CEO or sole Executive Director is stated in the Rules of Procedure for the Board, which has been reviewed and approved by the Board.</p>

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<p>A Chief Executive should not become Chairman of the same Company. If, exceptionally, this is proposed by the Board, major shareholders should be consulted ahead of appointment. The Board should set out its reasons to all shareholders at the time of the appointment and also publish these on the Company's website.</p>			
<p>10. The Board should identify each Non-Executive Director it considers to be independent in the Annual Report. Circumstances which are likely to impair, or could appear to impair, a Non-Executive Director's independence include, but are not limited to, whether a Director:</p> <ul style="list-style-type: none"> <li>• is or has been an employee of the Company or Group within the last five years;</li> <li>• has, or has had within the last three years, a material business relationship with the Company, either directly or as a partner, shareholder, Director or senior employee of a body that has such a relationship with the company;</li> <li>• has received or receives additional remuneration from the Company apart from a Director's fee, participates in the Company's share option or a performance-related pay scheme, or is a member of the Company's pension scheme;</li> <li>• has close family ties with any of the Company's advisers, Directors or senior employees;</li> <li>• holds cross-directorships or has significant links with other</li> </ul> <p>Directors through involvement in other companies or bodies;</p> <ul style="list-style-type: none"> <li>• represents a significant shareholder; or</li> <li>• has served on the Board for more than nine years from the date of their first appointment.</li> </ul>	<p>In compliance</p>		<p>The Annual Report identifies within the Corporate Governance section under composition of the Board of Directors, those Non-Executive Directors that are considered to be independent.</p> <p>The Chairman is not considered independent under the Code, as the current Chairman is a Partner and Managing Director of the major shareholder, Oaktree Capital Management.</p> <p>The Board has determined that each Non-Executive Director is independent in character and judgments; commits sufficient time and energy to the role and continues to make a valuable contribution to the Board and its committees. The Board keeps under review whether there are relationships or circumstances which are likely to affect or could appear to affect their independence.</p> <p>The rights of the C-share enable the C-shareholder to elect all of the Directors other than the B-Director. Göran Trapp was originally nominated to the Board of TORM plc by the C-shareholder (as he had served in an equivalent capacity on the Board of TORM A/S) but is nevertheless considered by the Board to be independent due to having no other affiliation. Annette Malm Justad was nominated and elected to the Board at the 2020 AGM after previously having served as a TORM Board observer. David Weinstein is appointed by the holder of the B-share. The B-share is held by a trustee on behalf of independent A-shareholders. Accordingly, David Weinstein does not represent the B-shareholder and so is considered by the Board to be independent.</p>

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Where any of these or other relevant circumstances apply, and the Board nonetheless considers that the Non-Executive Director is independent, a clear explanation should be provided.	In compliance		The Board excluding the Chairman, consists of three Non-Executive Directors, all of whom are considered to be independent.
12. The Board should appoint one of the independent Non-Executive Directors to be the Senior Independent Director to provide a sounding Board for the Chairman and serve as an intermediary for the other Directors and shareholders. Led by the Senior Independent Director, the Non-Executive Directors should meet without the Chairman present at least annually to appraise the Chairman's performance, and on other occasions as necessary.	In compliance		<p>The Company has issued one B-share with a nominal value of USD 0.01, which is held by a trustee on behalf of the minority shareholders of the Company. Under the Company's Articles of Association, the holder of the B-share has the right to elect one member of the Board (in the role of a "B-Director" and also as Deputy Chairman) as well as one Board Observer.</p> <p>Given the responsibilities of the B-Director contemplated in the Articles of Association with respect to the protection of the rights of the minority shareholders, the Company has appointed the B-Director as the Senior Independent Director.</p> <p>The Senior Independent Director ensures that the views of each Non-Executive Director are given due consideration and is available to both Non-Executive Directors and shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive or other Executive Directors has failed to resolve or for which such contact is inappropriate. On an annual basis, the Senior Independent Director will meet with each Non-Executive Director to appraise the Chairman's performance.</p>
13. Non-Executive Directors have a prime role in appointing and removing Executive Directors. Non-Executive Directors should scrutinize and hold to account the performance of management and individual Executive Directors against agreed performance objectives. The Chairman should hold	In compliance		<p>The Nomination Committee, consisting of three Non-Executive Directors is responsible for assessing the composition, development, risk and succession plans for the Executive Director at least annually.</p> <p>Each year, the Board conducts a self-evaluation which addresses performance and achievements of the Board as a collective body and its individual members.</p>

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meetings with the Non-Executive Directors without the Executive Directors present.			<p>Furthermore, the cooperation between the Board and Senior Management is evaluated at least once a year. In addition to the formal Board evaluation, the Chairman meets with each Non-Executive Director individually during the year to discuss their contribution to the Board.</p> <p>Performance objectives of the Executive Management are clearly defined within the Company's Remuneration Policy and further explained within the Remuneration report contained within the Annual Report.</p> <p>The Non-Executive Directors are committed to contribute to constructively challenge and help develop proposals on strategy.</p> <p>In addition, on every ordinary board meeting there is an agenda item which is designed for the Board to meet without the presence of the Executive Director.</p>
<p>14. The responsibilities of the Chairman, Chief Executive, Senior Independent Director, Board and committees should be clear, set out in writing, agreed by the Board and made publicly available. The Annual Report should set out the number of meetings of the Board and its committees, and the individual attendance by Directors.</p>	In compliance		<p>Per the Companies Act 2006, Chapter 5, Section 228 (1) b, the Company has chosen to issue a written memorandum setting out the terms of the Non-Executive and Executive Directors' contracts. The memorandum is available for viewing at the Company's registered office upon demand.</p> <p>The Annual Report contains information on the Chairman of the Board (the "Chairman"), the Deputy Chairman, the Executive Director and the Chairmen and members of all committees appointed or established by the Board.</p> <p>The Annual Report provides information regarding the number of meetings of the Board and the individual attendance by Directors. Likewise, the Annual Report provides information regarding number of meetings of the committees and the individual attendance by the Directors.</p> <p>Any Director who is unable to attend a Board or committee meeting will still be provided with an opportunity to review the relevant papers and to provide comments in advance to the Chairman or the Chairman of the relevant committee, as appropriate.</p>

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			The Company's Annual Report lists important activities of the committees during the year, and it includes a summary of the role for each of the Audit Committee, the Remuneration Committee, the Risk Committee and the Nomination Committee.
15. When making new appointments, the Board should take other demands on Directors' time into account. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional external appointments should not be undertaken without prior approval of the Board, with the reasons for permitting significant appointments explained in the Annual Report. Full-time Executive Directors should not take on more than one Non-Executive directorship in a FTSE 100 company or other significant appointment.	In compliance		<p>The Non-Executive Directors have undertaken that they have sufficient time to carry out their duties.</p> <p>The other significant commitments of each Non-Executive Director were disclosed to the Board before appointment. Changes to such commitments are reported to the Board as they arise, and details of these commitments are included in the Annual Report.</p> <p>The Executive Director does not hold any Non-Executive directorships in FTSE 100 companies, and his other directorships are stated in the Annual Report.</p>
16. All Directors should have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters. Both the appointment and removal of the Company Secretary should be a matter for the whole Board.	In compliance		<p>The Company Secretary is responsible for keeping all statutory minutes and records for the Board. The Directors have access to advice and services from the Company Secretary.</p> <p>The appointment or removal of the Company Secretary is a matter for the Board as a whole.</p>

### 3: COMPOSITION, SUCCESSION AND EVALUATION

#### Principles

J. Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for Board and Senior Management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The Company's procedures for the appointment of new Directors to the Board are set out in the Annual Report, Articles of Association and under the Terms of Reference of the Nomination Committee (available on the Company's website).

The relevant and desired competency profiles of potential candidates for new Board members will be discussed by the Board as part of the preparation for each Annual General Meeting. The need for integration of new talent and the need for

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K. The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.			diversity in relation to e.g. international experience, gender and age are taken into consideration. Appointments will be made on merit and against objective criteria to ensure that the Board maintains a balance of skills and experience.
L. Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each Director continues to contribute effectively.			The Board of Directors has established four committees for which formal Terms of Reference have been approved by the Board of Directors. The Board is confident that the Board itself and the Committees have the requisite combination of experience and knowledge.
17. The Board should establish a Nomination Committee to lead the process for appointments, ensure plans are in place for orderly succession to both the Board and Senior Management positions, and oversee the development of a diverse pipeline for succession. A majority of members of the committee should be independent Non-Executive Directors. The Chairman of the Board should not chair the committee when it is dealing with the appointment of their successor.	In compliance		<p>The Board of Directors has established a Nomination Committee. The Nomination Committee consists of two independent Non-Executive Directors and the Chairman, who is not considered to be independent by the Board. Accordingly, all members of the Nomination Committee are Non-Executive Directors. The Nomination Committee's Terms of Reference can be found on the Company's website.</p> <p>The Nomination Committee consists of Christopher H. Boehringer, as Chairman, Annette Malm Justad and David Weinstein.</p> <p>If the Nomination Committee is considering the appointment of a successor to the Chairmanship of the Company, the Terms of Reference of the Nomination Committee provide that the Chairman shall not chair the committee in such</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
<p>18. All Directors should be subject to annual re-election. The Board should set out in the papers accompanying the resolutions to elect each Director the specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success.</p>	Not in compliance	<p>circumstances. The Nomination Committee's Terms of Reference are available on the Company's website.</p>	<p>The Company's procedures for re-election of Directors are set out in the Company's Articles of Association and within the Nomination Committee's Terms of Reference, which are available on the Company's website.</p> <p>Under the Company's Articles of Association, apart from the B-Director, each Director must retire at the end of the first annual general meeting after their appointment and each subsequent Annual General Meeting.</p> <p>The Board of Directors believes that given its controlling shareholder structure and Articles of Association, and the past practices of TORM A/S, it is appropriate for all Directors to seek re-election every year except for the B-Director.</p> <p>The holder of the B-share has the right to elect the B-Director to the Board of Directors. Given the role of the B-Director in monitoring the rights of the minority shareholders, the Board of Directors does not believe that the B-Director should be subject to re-election.</p> <p>The Board conducts an annual self-evaluation, which includes evaluation of the individual Directors. In addition to the formal Board evaluation, the Chairman meets with each Non-Executive Director individually during the year to discuss their contribution to the Board.</p>
<p>19. The Chairman should not remain in post beyond nine years from the date of their first appointment to the Board. To facilitate effective succession planning and the development of a diverse Board, this period can be extended for a limited time, particularly in those cases where the Chairman was an existing Non-Executive Director on appointment. A clear explanation should be provided.</p>	In compliance	None of the Non-Executive Directors have served longer than nine years.	



CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
<p>20. Open advertising and/or an external search consultancy should generally be used for the appointment of the Chairman and Non-Executive Directors. If an external search consultancy is engaged, it should be identified in the Annual Report alongside a statement about any other connection it has with the company or individual directors.</p>	In compliance		<p>Due to the way the Company was formed, the acquisition of TORM A/S and the importance of leadership and continuity following that event, and due to the combination of its controlling shareholder, Christopher H. Boehringer was appointed as Chairman of the Board and David Weinstein and Göran Trapp, were appointed as Non-Executive Directors without the use of any external search company or the use of open advertising. Annette Malm Justad was appointed through the executive search firm, Heidrick &amp; Struggles, first as an Observer, whereafter she was appointed to the Board at the 2020 Annual General Meeting.</p> <p>Future appointments to the Board of Directors have and will follow the Terms of Reference of the Nomination Committee, which clearly sets out under Exhibit A the selection procedures to be used and, if required, the engagement of an external consultancy to assist the Committee in the identification of Board candidates.</p> <p>The Nomination Committee will 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.</p>
<p>21. There should be a formal and rigorous annual evaluation of the performance of the Board, its committees, the Chairman and individual Directors. The Chairman should consider having a regular externally facilitated Board evaluation. In FTSE 350 companies this should take place at least every three years. The external evaluator should be identified in the Annual Report and a statement made about any other connection it has with the Company or individual Directors.</p>	In compliance		<p>The Board undertakes an annual evaluation of its own performance and that of its committees and individual Directors.</p> <p>Each year, the Board conducts a self-evaluation, which addresses performance and achievements of the Board as a collective body and its individual members. Furthermore, the cooperation between the Board and Senior Management is evaluated at least once a year.</p> <p>The Chairman is responsible for the continuous evaluation of the Board. The Chairman also reviews and follows up on the self-assessment of the Board.</p> <p>The Annual Report states how the performance evaluation of the Board, its committees and its individual Directors has been conducted.</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
22. The Chairman should act on the results of the evaluation by recognizing the strengths and addressing any weaknesses of the Board. Each Director should engage with the process and take appropriate action when development needs have been identified.	In compliance		<p>Board committee reviews will also be conducted against the principles set out in the Code.</p> <p>The Company is not a FTSE 350 company and will therefore carry out an annual internally run evaluation.</p> <p>The Non-Executive Directors, led by the Senior Independent Director, annually review the performance of the Chairman, considering the views of the Executive Director, against his accountabilities and business objectives.</p>
<p>23. The Annual Report should describe the work of the Nomination Committee, including:</p> <ul style="list-style-type: none"> <li>• the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline;</li> <li>• how the Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual Directors, the outcome and actions taken, and how it has or will influence Board composition;</li> <li>• the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives; and</li> <li>• the gender balance of those in the Senior Management and their direct reports.</li> </ul>	In compliance		<p>The Annual Report provides information on the number of meetings held by the Nomination Committee in the financial year in question as well as the names of the members of the Nomination Committee, including the Chairman of the committee. Appointments, succession planning and self-assessment will all be discussed by the committee annually.</p> <p>The Governance section of the Company's website lists the key activities of the Nomination Committee during the year and includes the Terms of Reference of the Nomination Committee.</p> <p>The Board conducts an annual self-evaluation, which includes evaluation of the individual Directors. The review focuses on Board accountability and composition, the Board's role in setting strategy, risk management and succession planning and the effectiveness of the Board committees.</p> <p>The Company has an obligation to its customers, shareholders, employees, and other stakeholders to develop the Company's talent pool irrespective of attributes such as gender, religion, sexuality, nationality or ethnicity.</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
			<p data-bbox="1225 284 2051 411">With the enforcement of the Company's Leadership Philosophy and the planned sustained investments in diversity-enhancing measures, the Company is seeking to increase diversity within the Company. The Company will continue to focus its diversity efforts on encouraging and developing female talent.</p> <p data-bbox="1225 451 2051 544">The ESG report included within the Annual Report, includes a description of 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.</p>
<b>4: AUDIT, RISK AND INTERNAL CONTROL</b>			
Principles			
<p data-bbox="147 740 719 895"><b>M.</b> The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.</p>			<p data-bbox="1225 740 2051 967">One of the key accountabilities of the Board is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed. Effective risk management is critical to the Board achieving its strategic objectives. The Company's financial controls are defined and monitored in a compliance framework consistent with the recognized framework established by the Committee of Sponsoring Organizations (COSO 2013).</p> <p data-bbox="1225 975 2051 1134">The Board has established an Audit Committee. In the Terms of Reference of the Audit Committee, the arrangements for corporate reporting and risk management are outlined. Likewise, the internal control principles and maintaining an appropriate relationship with the Company's auditors are outlined in the Terms of Reference.</p>
<p data-bbox="147 1193 719 1286"><b>N.</b> The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.</p>			<p data-bbox="1225 1193 2051 1318">Where requested by the Board, the Audit Committee will report to the Board on whether the Annual Report, taken as a whole, is fair, balanced and understandable and will provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
<p>O. The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.</p>			<p>The Board has established a Risk Committee. The Board will confirm in the Annual Report that they have carried out a robust assessment of the principal risks faced by the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Board will describe those risks and explain how they are being managed or mitigated.</p>
<p>24. The Board should establish an Audit Committee of independent Non-Executive Directors, with a minimum membership of three, or in the case of smaller companies, two. The Chairman of the Board should not be a member. The Board should satisfy itself that at least one member has recent and relevant financial experience. The committee as a whole shall have competencies relevant to the sector in which the Company operates.</p>	<p>In compliance</p>		<p>The Company has established an Audit Committee consisting of three independent Non-Executive Directors.</p> <p>The Audit Committee consists of Göran Trapp, as Chairman, David Weinstein and Annette Malm Justad.</p> <p>The Board is satisfied that the Audit Committee has recent and relevant financial experience and that the members of the Audit Committee as a whole have the necessary qualifications and competences relevant to the shipping sector. The Chairman of the Audit Committee, Göran Trapp, qualifies as an “Audit Committee financial expert” and possesses the necessary qualifications to fulfill the requirements. The Audit Committee also has access to the financial expertise of the Group and its external auditors and can seek further professional advice at the Company’s expense, if required.</p>
<p>25. The main roles and responsibilities of the Audit Committee should include:</p> <ul style="list-style-type: none"> <li>• monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company’s financial performance, and reviewing significant financial reporting judgements contained in them;</li> <li>• providing advice (where requested by the Board) on whether the Annual Report and accounts, taken as a whole, is fair, balanced and understandable, and</li> </ul>	<p>In compliance</p>		<p>The formal role of the Audit Committee is set out in its Terms of Reference, which are available at the Company’s website.</p> <p>The Audit Committee is expected to meet at least four times a year. The Chief Financial Officer of TORM A/S, the Head of Group Financial Controlling &amp; Internal Controls and the Company’s independent auditors should normally participate in the meetings. The Audit Committee may invite such other persons to its meetings as it deems appropriate.</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
<p>provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;</p> <ul style="list-style-type: none"> <li>• reviewing the Company's internal financial controls and internal control and risk management systems, unless expressly addressed by a separate Board Risk Committee composed of independent Non-Executive Directors, or by the Board itself;</li> <li>• monitoring and reviewing the effectiveness of the company's internal audit function or, where there is not one, considering annually whether there is a need for one and making a recommendation to the Board;</li> <li>• conducting the tender process and making recommendations to the Board, about the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;</li> <li>• reviewing and monitoring the external auditor's independence and objectivity;</li> <li>• reviewing the effectiveness of the external audit process, taking relevant UK professional and regulatory requirements into consideration;</li> <li>• developing and implementing policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking the relevant regulations and ethical guidance in this regard, and reporting to the board on any improvement or action required into account; and</li> <li>• reporting to the Board on how it has discharged its responsibilities.</li> </ul>			<p>The independent auditor participates in all Audit Committee meetings. Furthermore, the auditor meets with the Board at least once a year.</p> <p>The Chairman of the Board and the Chairman of the Audit Committee have a direct dialogue with the independent auditor without the presence of the Executive Management on a case-by-case basis.</p> <p>The Board approves the election of the independent auditor and the overall conditions for the audit engagement on which basis the Audit Committee is mandated to approve the audit engagement letter.</p> <p>The Audit Committee is expected to make recommendations to the Board with respect to the appointment of the Company's independent auditors and provides a report on the committee's activities to the Board.</p> <p>The Audit Committee is responsible for assisting the Board in fulfilling its responsibilities pertaining to the accounting, auditing and financial reporting of the Company and ensuring the quality and integrity of such reporting.</p> <p>The Audit Committee assesses the need for an internal audit function on an annual basis and makes a recommendation to the Board.</p> <p>Based on the Company's size, complexity and its internal control environment, the Company has decided to defer the establishment of an internal audit function until the need arises.</p> <p>The Audit Committee has primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditors to the Board. The Board has accepted the Audit Committee's recommendation.</p>
<p>26. The Annual Report should describe the work of the Audit Committee, including:</p>	In compliance		<p>The Audit Committee report within the Annual Report will provide information on the number of meetings held by the Audit Committee as well as the names of the</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
<ul style="list-style-type: none"> <li>the significant issues that the Audit Committee considered relating to the financial statements, and how these issues were addressed;</li> <li>an explanation of how it has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans;</li> <li>in the case of a Board not accepting the Audit Committee's recommendation on the external auditor appointment, reappointment or removal, a statement from the Audit Committee explaining its recommendation and the reasons why the Board has taken a different position (this should also be supplied in any papers recommending appointment or reappointment);</li> <li>where there is no internal audit function, an explanation for the absence, how internal assurance is achieved, and how this affects the work of external audit; and</li> <li>an explanation of how auditor independence and objectivity are safeguarded, if the external auditor provides non-audit services.</li> </ul>			<p>Chairman and members. It will further include details of any significant issues related to the financial statements and an explanation of how it has assessed the effectiveness of the audit process. Details on the working relationship with the external auditor, including how independence is safeguarded, the approach to the reappointment of the external auditor and details on the length of the tenure and the last tender process, will also be included.</p> <p>The Corporate Governance section of the Company's Annual Report lists important activities of the Audit Committee during the financial year.</p> <p>The Audit Committee keeps the independence and objectivity of the Company's external auditors under review, including the review of audit fee proposals and non-audit fees.</p> <p>Following a formal tender process in 2019, and the Committee's recommendation to the Board, the shareholders appointed Ernst &amp; Young LLP as the Group's external auditor in April 2020. EY replaced Deloitte LLP (UK).</p> <p>The Audit Committee assesses the need for an internal audit function on an annual basis and makes a recommendation to the Board of Directors. The Audit Committee was satisfied that based on the Company's size, complexity and its internal control environment, the Company could defer the establishment of an internal audit function but has to revisit the decision. Further, the Audit Committee supported the use of an audit firm to review selected areas when needed or requested by the Audit Committee and/or the Company's Management.</p>
<p>27. The Directors should explain in the Annual Report their responsibility for preparing the Annual Report and accounts, and state that they consider the Annual Report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.</p>	In compliance		<p>Where requested by the Board, the Audit Committee will report to the Board on whether the Annual Report, taken as a whole, is fair, balanced and understandable and will provide the information necessary for the shareholders to assess the Company's position and performance, business model and strategy.</p> <p>The Annual Report contains the Statement of Directors' responsibilities, in which the Directors' responsibility for preparing the Annual Report and financial statements in accordance with applicable law and regulations is stated.</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
<p>28. The Board should carry out a robust assessment of the Company's emerging and principal risks. The Board should confirm in the Annual Report that it has completed this assessment, including a description of its principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated.</p>	In compliance		<p>Based on the work of the Risk Committee, the Board will confirm in the Annual Report that they have carried out a robust assessment of the principal risks faced by the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Board will describe those risks and explain how they are being managed or mitigated.</p>
<p>29. The Board should monitor the Company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness and report on that review in the Annual Report. The monitoring and review should cover all material controls, including financial, operational and compliance controls.</p>	In compliance		<p>The Board has established a Risk Committee. The Risk Committee consists of three independent Non-Executive Directors .</p> <p>The Risk Committee consists of: Göran Trapp, as Chairman, David Weinstein and Annette Malm Justad.</p> <p>Based on the work of the Risk Committee, the Board will confirm in the Annual Report that they have carried out a robust assessment of the principal risks faced by the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Board will describe those risks and explain how they are being managed or mitigated.</p>
<p>30. In the annual and half-yearly financial statements, the Board should state whether it considers it appropriate to adopt the going concern basis of accounting in preparing them and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.</p>	In compliance		<p>An appropriate statement from the Board is included in the Annual Report and in the Company's quarterly reports. In those statements, the Board will state whether they consider it appropriate to adopt the going concern basis of accounting in preparing those reports. The Annual Report identifies any material uncertainties relating to the Company's ability to continue to adopt a going concern basis of accounting over a period of at least twelve months from the date of approval of the financial statements.</p>
<p>31. Taking account of the Company's current position and principal risks, the Board should explain in the Annual Report how it has assessed the prospects of the Company, over what period it has done so, and why it considers that period</p>	In compliance		<p>In the Strategic Report within the Annual Report, the Directors have included an explanation of the Company's business model and the strategy for delivering the objectives of the Company. Within the Strategic Report included in the Annual Report, the Board will describe and assess the Company's risks, and the Directors</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
	to be appropriate. The Board should state whether it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary.		will state whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment drawing attention to any qualifications or assumptions as necessary.

## 5: REMUNERATION

### Principles

P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to Company purpose and values and be clearly linked to the successful delivery of the Company's long-term strategy.

The Company's Remuneration Policy includes thresholds for each variable component of the Executive Director(s) remuneration. The Board considers the management incentive plans to be in line with the provisions in Schedule A to the Code.

Details of the performance-related elements of remuneration for the Executive Director(s), which form a significant proportion of the total remuneration package (including provisions for the recovery of sums paid and the withholding of payments) are disclosed in the Remuneration report within the Annual Report.

Q. A formal and transparent procedure for developing policy on executive remuneration and determining Director and Senior Management remuneration should be established. No Director should be involved in deciding their own remuneration.

The Remuneration Committee's role includes recommending to the Board the Senior Management remuneration strategy and framework of the Company.

The Company provides an account on remuneration, which is contained within the Annual Report. This includes a Directors' remuneration policy, which is subject to a binding vote at least every three years.

R. Directors should exercise independent judgement and discretion when authorizing remuneration outcomes, taking account of Company and individual performance, and wider circumstances.

The Remuneration Committee gives due regard to the financial and commercial health of the Company and ensures that the Senior Management is fairly rewarded for the individual contributions to the Company's overall performance.



CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
<p>32. The Board should establish a Remuneration Committee of independent Non-Executive Directors, with a minimum membership of three, or in the case of smaller companies, two. In addition, the Chairman of the Board can only be a member if they were independent on appointment and cannot chair the committee. Before appointment as Chairman of the Remuneration Committee, the appointee should have served on a remuneration committee for at least 12 months.</p>		Not in compliance	<p>The Company has appointed a Remuneration Committee. The Committee assists the Board of Directors by reviewing the performance and remuneration of the Executive Management as well as the Company's general remuneration policies. The Terms of Reference of the Remuneration Committee are available on the Company's website.</p> <p>The Remuneration Committee consists of three Directors; two independent Non-Executive Directors and the Chairman, who was not considered by the Board to be independent on appointment. As explained above, the Chairman may not be considered independent, and accordingly the Company does not have three independent Non-Executive Directors appointed to the Remuneration Committee. However, given his association with the controlling shareholder and their alignment of interest with regard to remuneration, the Board believes it to be appropriate for the Chairman to chair that Committee. The remaining Committee members are Annette Malm Justad and David Weinstein.</p> <p>The Remuneration Committee seeks independent external advice as deemed necessary, and appropriate disclosures are included in the Annual Report where required.</p>
<p>33. The Remuneration Committee should have delegated responsibility for determining the policy for Executive Director remuneration and setting remuneration for the Chairman, Executive Directors and Senior Management. It should review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for Executive Director remuneration.</p>	In compliance		<p>The Remuneration Committee's role includes recommending to the Board the Senior Management remuneration strategy and framework of the Company, giving due regard to the financial and commercial health of the Company, and ensuring that the Senior Management is fairly rewarded for the individual contributions to the Company's overall performance. Review and approve the general remuneration philosophy of the Company together with the Executive management.</p> <p>When considering the remuneration of the Chairman, the Chairman takes no part in discussions or decisions made by the Remuneration Committee or the Board.</p> <p>The Remuneration report within the Annual Report provides an overview of the total remuneration granted to each individual member of the Board.</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
<p>34. The remuneration of Non-Executive Directors should be determined in accordance with the Articles of Association or, alternatively, by the Board. Levels of remuneration for the Chairman and all Non-Executive Directors should reflect the time commitment and responsibilities of the role. Remuneration for all Non-Executive Directors should not include share options or other performance-related elements.</p>	In compliance		<p>The Board has determined the definition of 'Senior Management' to include the full TORM Senior Management team.</p> <p>The Company's Remuneration Policy stipulates that the Non-Executive Directors' remuneration cannot include participation in share or warrant programs. None of the Non-Executive Directors receive any part of their compensation from the Company in shares.</p> <p>The level of remuneration for the Non-Executive Directors is considered fair and reasonable and reflects their expected time commitment to the Company. The terms of remuneration for each Non-Executive Director are disclosed in the Annual Report.</p> <p>The Company's Remuneration Policy and compliance with this policy is explained and justified annually in the Chairman's report presented to the shareholders at the Annual General Meeting and incorporated in the Annual Report.</p>
<p>35. Where a remuneration consultant is appointed, this should be the responsibility of the remuneration committee. The consultant should be identified in the Annual Report alongside a statement about any other connection it has with the Company or individual Directors. Independent judgement should be exercised when evaluating the advice of external third parties and when receiving views from Executive Directors and Senior Management</p>	In compliance		<p>The Remuneration Committee seeks independent external advice as deemed necessary, and appropriate disclosures are included in the Annual Report where required.</p>
<p>36. Remuneration schemes should promote long-term shareholdings by Executive Directors that support alignment with long-term shareholder interests. Share awards granted for this purpose should be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more. The Remuneration Committee should develop a formal policy for post-employment shareholding</p>	In compliance		<p>The Company's Remuneration Policy details the LTIP plan for restricted share units granted to the Executive Director. The RSUs granted to the CEO will vest over a three-year period, with one third of the grant amount vesting at each anniversary during the three-year period.</p> <p>The Company's Remuneration Policy includes thresholds for each variable component of the Executive Director(s) remuneration. The Board considers the</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
requirements encompassing both unvested and vested shares.			<p>management incentive plans to be in line with the provisions in Schedule A to the Code.</p> <p>Details of the performance-related elements of remuneration for the Executive Director(s), which form a significant proportion of the total remuneration package (including provisions for the recovery of sums paid and the withholding of payments) are disclosed in the remuneration report within the Annual Report.</p>
<p>37. Remuneration schemes and policies should enable the use of discretion to override formulaic outcomes. They should also include provisions that would enable the Company to recover and/or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so.</p>	In compliance		<p>The Company's Remuneration Policy includes thresholds for each variable component of the Executive Director(s) remuneration. The Board considers the management incentive plans to be in line with the provisions in Schedule A to the Code. In addition, the Remuneration policy details the Claw Back provisions related to the Company's incentive plans.</p>
<p>38. Only basic salary should be pensionable. The pension contribution rates for Executive Directors, or payments in lieu, should be aligned with those available to the workforce. The pension consequences and associated costs of basic salary increases and any other changes in pensionable remuneration, or contribution rates, particularly for Directors close to retirement, should be carefully considered when compared with workforce arrangements.</p>	In compliance		<p>The Directors of the Company do not receive a pension. In addition, Denmark-based Executive Director, in his role as CEO of TORM A/S, does not receive any pension.</p>
<p>39. Notice or contract periods should be one year or less. If it is necessary to offer longer periods to new Directors recruited from outside the company, such periods should reduce to one year or less after the initial period. The Remuneration Committee should ensure compensation commitments. The Directors' terms of appointment do not reward poor performance. They should be robust in reducing compensation to reflect departing Directors' obligations to mitigate loss.</p>	In compliance		<p>The terms of appointment of the Executive Director provide that the Company may terminate the Executive Director's Service Agreement with 12 months' notice to expire on the last day of a month. The Executive Director may terminate the Service Agreement with six months' written notice to expire on the last day of a month. The Executive Director shall not be entitled to any other kind of remuneration upon retirement from office with the Company (or any of its subsidiaries).</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
<p>40. When determining Executive Director remuneration policy and practices, the remuneration committee should address the following:</p> <ul style="list-style-type: none"> <li>• clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce;</li> <li>• simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand;</li> <li>• risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioral risks that can arise from target-based incentive plans, are identified and mitigated;</li> <li>• predictability – the range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy;</li> <li>• proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance; and</li> <li>• alignment to culture – incentive schemes should drive behaviors consistent with company purpose, values and strategy.</li> </ul>	In compliance		<p>The annual report on remuneration contained within the Annual Report, sets out the full remuneration structure for the Executive Director of the Company. The Remuneration Committee clearly states within its Terms of Reference that in determining policy and practices with regard to the Executive Director, they will ensure clarity, simplicity, risk, predictability and alignment to the Company culture.</p> <p>The Remuneration Committee's responsibilities include, aligning the financial interests of the Executive Director and other management employees with the achievement of the Company's objectives.</p> <p>The overall remuneration structure comprises:</p> <ul style="list-style-type: none"> <li>• Base salary, benefits and allowances, set at a level appropriate to the sector and markets in which the Company operates</li> <li>• An annual bonus based on measures of annual financial and strategic performance</li> <li>• A share-based long-term incentive plan based on growth in the share price</li> </ul>
<p>41. There should be a description of the work of the Remuneration Committee in the annual report, including:</p> <ul style="list-style-type: none"> <li>• an explanation of the strategic rationale for executive directors' remuneration policies, structures and any performance metrics;</li> </ul>	In compliance		<p>The Company provides an annual report on remuneration, which is contained within the Annual Report. This includes reference to the Directors' Remuneration Policy, which is subject to a binding vote at least every three years, and an annual report on remuneration in the financial year being reported on, and on how the current policy will be implemented in the next financial year, which is subject to an annual advisory vote.</p>

CODE PROVISION	THE COMPANY COMPLIES	THE COMPANY DOES NOT COMPLY	THE COMPANY COMPLIES/DOES NOT COMPLY WITH THE RECOMMENDATION FOR THE FOLLOWING REASON:
<ul style="list-style-type: none"> <li>• reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps;</li> <li>• a description, with examples, of how the Remuneration Committee has addressed the factors in Provision 40;</li> <li>• whether the remuneration policy operated as intended in terms of company performance and quantum, and, if not, what changes are necessary;</li> <li>• what engagement has taken place with shareholders and the impact this has had on Remuneration Policy and outcomes;</li> <li>• what engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy; and</li> <li>• to what extent discretion has been applied to remuneration outcomes and the reasons why.</li> </ul>			