



**Anti-bribery and corruption
Compliance Policy and Program**

for

the TORM Group

TORM's Compliance Officer for anti-bribery and corruption rules and regulations is:

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Policy Statement on Anti-bribery and corruption Compliance

The following policy on anti-bribery and corruption by TORM supports and underlines “TORM’s Business Principles” which can be found on www.torm.com and on the TORM intranet, and which all employees are required to accept and comply with as part of their employment terms:

It is a fundamental part of TORM’s Business Principles that all directors, other officers and employees must comply with all applicable anti-bribery and corruption regulations.

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate and implementing and enforcing effective systems to counter bribery.

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate.

Any director, other officer or employee who fails to take proper care to comply with applicable anti-bribery and corruption rules and regulations will be subject to disciplinary action.

TORM's policy is to keep all directors, other officers and employees fully informed of the contents of applicable anti-bribery and corruption law and to assist them in complying. The compliance system is intended to enable TORM to act in all relevant markets, without being exposed to business interruption or losses as a result of legal investigations or litigation which could affect TORM negatively. TORM believes that long term business success requires transparent business conduct.

We will not accept corrupt business practices, and we want to avoid the use of facilitation payments (defined as a payment of minor value for a service which we are already entitled to and should not have to pay for).

Bribery and corruption are punishable for individuals by imprisonment and fines. If TORM is found to have taken part in corruption, we could face severe fines, be excluded from pursuing business opportunities and face damage to our reputation.

TORM is a member of the Maritime Anti-Corruption Network (MACN) comprised of like-minded companies dedicated to promoting compliance with anti-corruption laws and committed to the elimination of corrupt practices.

Compliance Program

The purpose of this Compliance Program is to make TORM’s employees aware of risks and potential issues in relation to anti-bribery and corruption law. This to ensure that all employees are familiar with the rules, that they can identify potential conflicts with anti-

bribery and corruption law in their day-to-day work and that they will act in a way so as to prevent and avoid violations.

The Compliance Program includes:

1. General compliance guidelines.
2. A training program.
3. Additional briefings on anti-bribery and corruption law changes and developments.
4. TORM People Web competency assessments, incl. verification by HR department.
5. Investigation Guidelines.
6. An introduction to anti-bribery and corruption law.

Any questions or issues in relation to anti-bribery and corruption law must be raised immediately with the local managing director, with a TORM Senior Management Team member or with TORM's Anti-bribery and corruption Law Compliance Officer, Christian Gorrisen (phone: +45 39 17 93 21/mobile +45 23 65 36 48). Advice from Management or the Compliance Officer must be obtained before any action is taken which could potentially result in a violation.

1. General Compliance Guidelines

TORM's Anti-bribery and corruption Law Compliance Policy and Program forms an integral part of every employee's employment contract with TORM and must be studied, agreed to and confirmed in writing by all employees when signing their employment contracts.

It is the responsibility of every employee to remain constantly aware and informed of the Compliance Policy and Program, including any updates and changes. TORM will provide all necessary training and will give additional guidance on changes of any kind.

Each employee's training and compliance must be logged and documented in the "TORM People Web".

Officers and managers are required to,

- ensure necessary resources are available for your employees to know and understand relevant legal and regulatory frameworks;
- have a continuous dialogue with relevant authorities and organizations to stay abreast of upcoming legislation and recommended standards and be able to act proactively.

All employees are required to,

- adhere to laws, standards and restrictions imposed by relevant authorities;

- know and understand the rules and regulations which apply to our business and your job, and prevent, detect and report instances of non-compliance;
- never give or receive a **bribe**. No employee will be penalized or be subject to other adverse consequences, for refusing to pay bribes even if it may result in TORM losing business;
- not to accept **social invitations** from business partners, which appear to be aimed at gaining an improper advantage and/or involve excessive cost;
- ensure, when you **entertain** business partners or colleagues, that the cost and nature of the entertainment is planned and carried out in a way, which reasonably furthers the business of TORM. If in doubt, consult your superior;
- only to give or accept **gifts** of moderate value. Gifts, which are beyond symbolic tokens or above the value of \$30, must be reported to your superior. Gifts include physical objects, services, favors or other items of value;
- actively resist claims for **facilitation payment**, except in incidents where personal safety is at risk. Any amount paid must be kept to a minimum and must always be reported according to the procedure for reporting and monitoring facilitation payments in TORM. Please read the procedure in TORM's Quality Management System (QMS).

All employees with supplier contact must familiarize themselves with TORM's commitment to responsible business practices in the supply chain (available at <http://intranet/divisions/Group-Procurement>). TORM gives preference to suppliers who share our commitment to lawful and ethical behaviour.

Political Contributions

We do not make donations, whether in cash or kind, in support of any political parties or candidates, as this can be perceived as an attempt to gain an improper business advantage.

Charitable contributions

Charitable support and donations are acceptable (and indeed are encouraged), whether of services, knowledge, time, or financial contributions. However, employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of a TORM SMT member. All charitable contributions should be publicly disclosed.

2. Training Program

All employees must attend TORM's Anti-bribery and corruption training whenever required and at least once every year.

Anti-bribery and corruption Law Compliance training sessions are offered by the Maritime Anti-Corruption Network (MACN).

All employees will be invited by email to attend the MACN training program which can be accessed on an individual basis and includes a test. New employees will be introduced to the training program by the Compliance Officer as part of the introduction program offered by HR-Department and will have to complete the programme within 2 weeks from that time.

On the TORM Intranet Website links can be found to MACN and to current versions of presentations and other training material used in the as part of raining TORM's Anti-bribery and corruption training.

3. Additional Briefings on changes and new development

If any changes are made to the Anti-bribery and corruption Compliance Policy or Program, TORM will inform all employees by email, and additional briefings and training will be offered. Any such information material will be made available immediately on the TORM Intranet Website.

4. TORM Annual SOX Compliance

All employees must confirm in a personal Impero control that they have read and that they will comply with the current version of TORM's Anti-bribery and corruption Law Compliance Policy and Program.

The confirmation must be repeated at least annually as a part of TORM's SOX compliance efforts.

It is the responsibility of every manager to ensure that their direct reports have given their confirmation. The Managers must take adequate action if the confirmation is missing for whatever reason.

Legal Department will supervise the Impero control process and will approach any managers who have not ensured that their direct reports have given their confirmation of compliance.

5. Investigation Guidelines

In the event of an investigation by any authorities in relation to anti-bribery and corruption, assuming their credentials and authority have been duly established, the general instruction to all employees is to offer TORM's full support and cooperation.

6. Introduction to Anti-bribery and corruption Law – applicable rules and regulations

General Rules

Numerous rules and regulations on anti-corruption, e.g. the Danish Criminal Code the UK Bribery Act and the American Foreign Corrupt Practices Act of 1977 (FCPA), have created a complex regulatory environment where companies have to take comprehensive measures in order to ensure compliance with anti-corruption laws.

It is important to note that both Danish law and the laws of any foreign jurisdictions may apply to TORM's activities depending on the circumstances.

Below is a general introduction to anti-corruption law, based on Danish law and including more stringent rules of other relevant jurisdictions where relevant.

Bribing

Bribing is the undue granting, promising or offering a gift or another privilege in order to induce a person to do or fail to do something in relation to his or her duties. There must be an intent to induce the person.

- Public sector: It is a criminal offence to bribe a public official and for a public official to accept a bribe. The definition of public officials includes persons holding a public function or office (elected officials, government or municipal employees persons holding an office with the courts), persons in a similar public function or office in a foreign country (including functions/offices with state-owned companies), and persons in a public office or function with international organizations such as the EU, the European Council, NATO, OECD and the UN.
- Private sector: It is a criminal offence to offer a gift or other favor to a private person with the intent that the receiver shall neglect his or her duties, e.g. as employee, manager, director, representative or agent. Likewise, it is an offence to accept such a gift or benefit. The decisive factor is whether it is the intention that, in return for the gift or favor, the receiver shall perform an act or omission in breach of his or her duties.

A company can be held liable for the acts of individuals if the offence is related to the activities of the company.

Facilitation payments

Facilitation payments, sometimes referred to as “grease payments” are small sums of money, or other things of value, paid for facilitating routine administrative processes, and not in order to obtain or retain business or an improper business advantage. Facilitation payments tend to be demanded by low level officials for offering a level of service which one would normally be entitled to.

Facilitation payments are generally illegal. There are a few narrow exceptions depending on which law applies, but best practice is to have a company policy and culture of *not* giving facilitation payments.

Gifts and hospitality

Gifts and hospitality are also grey areas, for example giving gifts to public officials for special occasions such as birthdays, anniversaries and retirement. Best practice is that only reasonable and proportionate gifts and hospitality are allowed. The key is *proportionality*. Thus, for example, inviting a public official to attend a modestly priced dinner is unlikely to count as bribery, unless it could be seen as trying to induce the recipient to do or refrain from doing something in relation to his official function or duty.

Under the UK Bribery Act, a company falling under its jurisdiction will be liable to prosecution if a person associated with it bribes another person intending to obtain or retain business or an advantage in the conduct of business for that company. This provision has broad scope; a person is ‘associated’ with the company if he/she performs services for or on behalf of the company, which means that employees, subsidiaries, contractors, agents and suppliers could fall under its scope.

Enforcement, Fines and Penalties

Depending on the jurisdiction, bribery can result in significant penalties. In Denmark, active and passive bribery in the public sector is sanctioned with a fine or imprisonment for a term not exceeding six years. Bribery in the private sector is penalized with a fine or imprisonment for up to four years. Furthermore, any profit resulting from the bribe may be confiscated.

Under the UK Bribery Act, individuals found guilty of bribery can be penalized with up to ten years’ imprisonment and/or an unlimited fine. Companies found guilty of bribery can be penalized with an unlimited fine.

Under the FCPA, criminal penalties for each violation of the anti-bribery provisions for corporations and other business entities may be a fine of up to USD 2 million, and for individuals (including officers, directors, stockholders, and agents of the company) a fine of up to

USD 100,000 and imprisonment up to five years. The authorities can also pursue civil action for anti-bribery violations; corporations and other business entities are subject to a civil penalty of up to USD 10,000 per violation, and individuals are subject to a civil penalty of USD 10,000 per violation which cannot be paid by their employer or principal. These fines, in combination with the penalties associated with breaches of the accounting provisions, create a complex system whereby the consequences of violation the FCPA can be significant.

Jurisdiction

The jurisdiction of anti-corruption laws varies and can be quite extensive. The Danish laws on anti-corruption apply to actions and omissions that occur in Danish territory or on-board Danish vessels. Actions occurring outside of Danish territory fall under the Criminal Code when the action is carried out by a Danish national or a Danish resident and either the act or omission is criminal in the country where it took place, or both the perpetrator and the person who the act is directed against are Danish nationals or residents.

Danish companies can fall under the UK Bribery Act's jurisdiction if the offence takes place in the UK, or the act or omission would have amounted to an offence if it had occurred in the UK and the company has a close connection with the UK. However, the key provision on corporate liability is section 7; Danish companies could fall under UK jurisdiction if persons associated with the company bribe another person intending to obtain or retain business or a business advantage for the company. Danish companies can also fall under the FCPA's jurisdiction if the bribery takes place in the US, or the foreign bribery has a connection to the US (which is interpreted very broadly). It is therefore plausible that a Danish company's action could be caught under the UK Bribery Act or the FCPA and possibly other jurisdictions.