



Audit Committee Terms of Reference for TORM plc (the "Company")

Purpose and Authority

The purpose of the Audit Committee (the "**Committee**") is to assist the Board of Directors (the "**Board**") in fulfilling its responsibilities relating to the oversight of the quality and integrity of the accounting, auditing, financial reporting, sustainability reporting and risk management of the Company and such other duties as may from time to time be assigned to the Committee by the Board and are required by the rules and regulations of the Securities and Exchange Commission (the "**SEC**") or any other securities exchange on which the Company's securities are traded. The Committee shall review and reassess the adequacy of these Terms of Reference on an annual basis and, if appropriate, propose changes to the Board.

The Committee's function is one of oversight only and does not relieve Management of its responsibilities for preparing financial statements that accurately and fairly present the Company's financial results and condition, nor the auditors of their responsibilities relating to the audit or review of financial statements. The Committee shall oversee the accounting, financial reporting, sustainability reporting, risk management processes related to the external reporting of the Company and the audits of the Company's financial statements and sustainability reporting. The Committee shall oversee and monitor the qualifications, independence and performance of the appointed independent auditors.

The Committee is directly responsible for the compensation and oversight of the work of the independent financial and sustainability auditors (including the resolution of disagreement between the Company's Management and the independent auditor regarding external reporting). The Committee is responsible for providing a recommendation for the appointment of the independent auditor to the Board. The Board must use this as a basis for its recommendation which is to be submitted to the Company's Annual General Meeting (the "**AGM**") for ratification by the Company's shareholders. If the recommendation is following a tender process, this process must not preclude the participation of an audit firm outside the Big4 firm, and the Committee should recommend at least two audit firms with a clear and explained preference for one of those. The independent auditors shall report directly to the Committee. The Committee may engage and compensate outside counsel or other advisors, experts or consultants, as it deems appropriate to carry out its duties. Such engagement and compensation shall be made through the Company's Senior Management Team ("**Management**") or the Head of External Reporting. The Company shall provide appropriate funding, as the Committee determines, for the payment of compensation to any outside counsel and other advisors, experts or consultants retained by the Committee and for the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee is responsible for reviewing the external reporting, including the financial statements and sustainability reporting, prior to their release, while the approval hereof is the responsibility of the Board. At the Board meeting where the Board reviews and approves the annual report, the chairperson of the Committee shall inform the Board of the following:

- Outcome of the work performed by the independent auditors, and
- The Committee's assessment of the evaluation of the process for preparing the annual report.

The Committee shall have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in these Terms of Reference or otherwise assigned to it by the Board. In discharging its duties, the Committee is empowered to investigate any matter brought to its attention and shall have unrestricted access to Management and the Head of External Reporting and to information deemed relevant for the investigation. The Committee may have access to other employees.



Membership and Appointment

The Committee shall at any time consist of at least three members of the Board, as determined by the Board, each of whom shall meet the independence requirements established by the Board and applicable laws, regulations and listing requirements, including the UK Corporate Governance Code, Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and the applicable listing rules of any securities exchange on which the Company's securities are traded and subject to any applicable compliance phase-in allowances thereunder. At least one Committee member shall in the judgment of the Board have recent and relevant financial experience in order to have the ability to make an independent assessment of the appropriateness of the Company's financial statements and internal controls as well as the planning and execution of the external audit. The Committee as a whole shall have competences relevant to the sector in which the Company operates. The Committee members are appointed, and the chairperson of the Committee is nominated among these by the Board. The chair of the Board should not be a member. The Board may remove any member from the Committee at any time with or without cause. Appointments are for a period of up to three years and should not be extended by no more than two additional three-year periods unless deemed appropriate based on relevant circumstances. At least annually, the Board will assess whether the Committee's expertise in accounting, auditing, ESG and knowledge of the Company and the sector it operates in is appropriately updated to reflect any changes in circumstances. The Board of Directors suggests, and the AGM determines the fees for the work of the Committee members.

Meetings of the Committee

The Committee shall meet not less than four times a year, and a meeting calendar shall be established annually corresponding with the Company's financial reporting cycle. Additional meetings may occur as the Committee or its chair, Management or the auditors deem advisable. The Management and the Head of External Reporting will normally participate in the meetings. The Committee may invite such other persons to its meetings, including the independent auditors, as it deems appropriate. The Management and the Head of External Reporting are not members of the Committee.

A quorum of any meeting will be two members (including, whenever possible, at least one member with recent and relevant financial experience), but members of the Committee should attend all meetings. The Committee shall keep adequate minutes of all its proceedings and will report on its activities to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with these Audit Committee Terms of Reference, relevant laws and provisions. Any changes to these Terms of Reference shall be pre-approved by the Board.



Roles and Responsibilities

The following are the principal recurring duties of the Committee:

Independent auditors		Action Audit Com.	Action Board
1)	Directly appoint, retain, oversee and discharge the independent auditor for both the financial and sustainability reports and submit the appointment of the independent auditor for ratification by the AGM.	Review	Approve & submit for ratification
2)	Approve fees payable to the appointed independent auditing firms, including approval of audit engagement letters.	Approve	None
3)	Review and evaluate the independence, qualifications, and performance of the independent auditors, including	Review and report non-conformities to the Board	Review report
i.	Reviewing the formal written statement submitted periodically by the independent auditors delineating all relationships between them and this corporation and its subsidiaries and affiliates		
ii.	Discussing with the independent auditors any disclosed relationships or services that may impact their objectivity and independence		
iii.	Reviewing, at least annually, the independent auditor’s reports regarding quality control procedures, including any material issues raised by internal quality control or peer reviews or by inquiries or investigations by governmental or professional authorities during the past five years with respect to independent audits performed by the independent auditors, as well as any steps taken to address such issues		
iv.	Developing and implementing a policy on the engagement of the external auditor to supply non-audit services and ensure pre-approval hereof		
v.	Reviewing and evaluating the lead partners of the independent auditors		
vi.	Assuring regular rotation of the lead audit partners and the audit firm as required by law		
4)	Discussion with the external auditor without participation of Management regarding internal controls, financial reporting, etc.	Review	None
5)	Gain an understanding of significant issues affecting financial reporting, and where applicable the sustainability reporting, and how these are being managed.	Review	None
6)	Review and approve at least annually the significant accounting judgements applied by Management	Approve	None
7)	Oversee the periodic financial reporting process implemented by Management and submit recommendations or proposals to ensure its integrity.	Review	None



8)	Meet periodically with Management and, if necessary, the independent auditors to review the audited annual report, quarterly financial statements, the key accounting policies and significant reporting judgements and provide advice to the Board as to whether 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 and performance, business model and strategy.	Review	Approve
9)	Review and discuss with the independent auditors, as the Committee deems appropriate:	Review all	Review auditor's report
i.	The audit planning		
ii.	The result of the audit, incl. review of auditor reports		
iii.	Changes to accounting policies, including related uncertainties and risks		
iv.	Significant adjustments		
v.	Unadjusted differences		
vi.	Disagreements with Management		
vii.	Any Management Letters issued or proposed issued by the auditors		
viii.	Any announcements relating to the Company's financial and sustainability performance		
10)	Update on impact of corporate legislation and recent announcements from the FCA (the Financial Conduct Authority"), etc.	Review	None
11)	Assess the going concern principle and the viability statement as well as the disclosures in the financial reporting	Review	Approve

Internal control and risk management		Action Audit Com.	Action Board
12)	Discuss principles for risk assessment and risk management related to the financial and sustainability reporting and review the Company's significant and emerging risks, specifically incl. fraud, and the impact on the financial reporting including stress testing.	Review	None
13)	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.	Detailed review	None
14)	Discuss with Management and, if necessary, the independent auditors the need for and the effectiveness of an internal audit function, the adequacy and effectiveness of the Company's internal controls over financial reporting and the quality of the accounting personnel and other personnel relevant for the internal control framework, for consideration in the Company's annual report. Where there is no internal audit function, have a discussion of how internal assurance is achieved, and how this affects the work of the external audit.	Review	Review auditor's report
15)	Consider whether Management has appropriately dealt with recommendations made by the independent auditors.	Review	None
16)	Review all related-party transactions, including transactions between the Company and its directors or affiliates of directors.	Review	Approve
17)	Review and approve the updated authorization matrix.	Approve	None
18)	Training of AC in internal controls and financial and sustainability reporting as deemed required or as requested by the AC.	Review	None
19)	Discussion with Group Internal Control without participation of Management regarding internal controls.	Review	None
20)	Review controls to mitigate the risk of Management override of controls/fraud.	Review	None
21)	Review and approve the scoping and materiality of the Internal Control over Financial Reporting framework.	Approve	None
22)	Review and approve the double materiality assessment for the sustainability statement.	Approve	None



Compliance with laws and regulations		Action Audit Com.	Action Board
22)	Review and discuss with Management the effectiveness of the systems for monitoring compliance with laws and regulations.	Review	None
23)	Review Management's investigations and follow-up of any fraudulent acts or non-compliance and be satisfied that all relevant regulatory compliance matters have been considered in the preparation of the financial statements.	Review	Approve
24)	Review Business Principles and discuss with Management any significant breaches observed.	Review and report to Board	None
25)	Review and approve the corporate governance disclosures. The Board approves the disclosures as part of the approval of the Annual Report.	Approve	None
26)	Review the sustainability reporting requirements and TORM's sustainability reporting processes	Review	None
27)	Periodically update the Board during Board meetings about Committee activities.	Review and report to Board	Review report
28)	Report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and make appropriate recommendations as to the steps to be taken.	Review and report to Board	Review report
29)	Review the Company's Group Tax Policy.	Review and report to Board	Approve

Reporting responsibilities		Action Audit Com.	Action Board
30)	Describe the work of the Committee in the Annual Report including:	Approve	None
i.	The significant issues that the Committee has considered relating to the financial statements and sustainability, and how these issues were addressed		
ii.	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		
iii.	In case of the Board not accepting the Committee's recommendation on the external auditor appointment, reappointment or removal, a statement from the 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)		
iv.	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		
v.	An explanation of how auditor independence and objectivity are safeguarded, if the external auditor provides non-audit services		
vi.	Disclosing how the Committee carries out its functions and how it is composed		
31)	Review the whistleblower function, its effectiveness and the reports from the Whistleblower Service Provider	Review and report to Board	Approve



Review and evaluation		Action Audit Com.	Action Board
32)	Review and reassess annually the adequacy of the Terms of Reference and, if appropriate, propose changes to the Board.	Review and report to Board	Approve
33)	Establish meeting calendar and planner	Review and report to Board	Approve
34)	Ensure that the Terms of Reference are approved or re-approved by the Board.	Evaluate	Review
35)	Perform an annual evaluation of the Committee's performance.	Review and report to Board	None

These Terms of Reference were approved by the Board on 04 March 2025.

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Christopher Boehringer

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Christopher Boehringer, Chairman